

2016 ANNUAL REPORT

VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

A. COMMITMENT

1. Statement of commitment or endorsement of the Voluntary Principles on Security and Human Rights (VPs).

Anglo American is and remains strongly committed to implementing the VPs and applies them [in all of its relevant managed operations](#). Respect for Human Rights is at the heart of [our values](#) and how we do business. Our [Group Human Rights Policy](#) and our [Group Human Rights Framework](#) clearly state our commitment to supporting the VPs, along with our support of the principles set out in the International Bill of Human Rights. These are the documents that guide the actions of our operations. Our support is also stated in our annual [Sustainable Development Report](#) and in the annual [De Beers' Report to Society](#). We recognise that in situations of actual or potential conflict, the presence of a mine or major industrial operation may become the focus for tension.

Anglo American promotes the VPs at both international and local level. Our Chairman, our Chief Executive, and other senior executives, refer to our commitment in their public speeches and encourage Governments to adhere to the VPs in their engagements. In November 2016, our Chief Executive was the first extractive sector company CEO to speak at the UN Annual Forum on Business and Human Rights, including a dedicated session on conflict affected areas and security related challenges, hosted by International Alert. Our executives regularly speak on the VPs and human rights more broadly at multi-stakeholder events, conferences and peer groups.

Representatives from the Anglo American head office, Anglo American Platinum Ltd (Platinum) and De Beers attended the Voluntary Principles Initiative Plenary and the Voluntary Principles Association (VPA) Annual General Meeting in Bogota in April 2016. Anglo American is also participating in various other VPI programmes such as the Implementation and Governance Working Groups. To this end, Anglo American will be making a verification presentation at the 2017 Plenary Meeting in Ottawa and serve as a peer reviewer for one of the other presentations hosted at the meeting. Representatives from De Beers and Platinum also attended a country-level consultation workshop facilitated by International Alert as part of the process to update their "Guide on Conflict Sensitive Business Practice", while Anglo American plc serves on International Alert's advisory panel for the Guide.

Anglo American is a member of the International Council of Mining and Metals (ICMM) and our public reporting is aligned with the requirements of the Global Reporting Initiative (GRI). Anglo American's Sustainability Report is assured by an independent third party (PwC). The annual De Beers Report to Society is assured by Corporate Citizenship.

B. POLICIES, PROCEDURES AND RELATED ACTIVITIES

1. Relevant policies, procedures, and/or guidelines (or any changes from the previous reporting year) to implement the VPs

Anglo American's policy and implementation manual for the VPs were provided to our operations when we joined the VPs in 2005. We have – with input from International Alert with whom we have a strategic partnership - created a conflict identification and prevention tool in our [Socio-Economic Assessment Toolbox \(SEAT\)](#), which we are due to update in 2018. This is guided by the Implementation Guidance Tool (IGT) and is mandatory for all our operations. Our operations can have a range of impacts on local communities and some of these are human rights or VPs related. SEAT is the toolkit by which we ensure that our sites holistically identify community concerns and work to address them.

In addition to the above, some of our business units have implemented their own VPs specific policies in support of their commitment to maintain the highest ethical standards with regard to human rights in the application of the security measures at our operations. For example, at

De Beers, all external private security service providers and individuals that are hired as employees to perform security services are evaluated, before being hired, through a due diligence process. This confirms that a) they have not been found guilty in a court of law or credibly implicated, b) not cleared of human rights violations c) have not participated in any mercenary work, and d) have not operated in conflict areas against legitimate governments. The pre-employment screening process makes provision for employees and contractors to declare human rights infringements.

De Beers will not employ any individual or company with a record of human rights infringements as stipulated in the [De Beers Security Forces and Human Rights Policy](#).

The VPs are also specifically referenced in the [Anglo American Social Way](#), our social management framework. This defines among others the roles, responsibilities and requirements for our operating sites within business units in relation to the VPs and informs our approach to minimising our negative impacts on communities whilst also guiding our engagement with these communities. Each business unit is required to report on incidents or challenges of relevant nature and severity, up to corporate level. In 2016, the business units made continued progress on meeting these standards, which had been updated in late 2014 to reflect evolving international best practice and our Group Human Rights Policy.

Effective grievance mechanisms are a core element of our human rights approach and having a complaints and grievance procedure is mandatory across all our operations, which includes complaints related to security arrangements. There are various mechanisms in place through which security-related human rights incidents are reported: ranging from incidents reported

directly to the security departments that are recorded on their electronic incident management systems to anonymous disclosure reports made via our '[Speak Up](#)' whistle-blowing service.

In addition, at De Beers, work is currently underway to develop and implement a new online incident management system for reporting and addressing social impact incidents, complaints and grievances (including security incidents which may have potential human rights implications). Roll out of the platform across the business will be completed in 2017. This piece of work will significantly improve the accuracy and consistency of our social incidents (including complaints and grievances) reporting and enable improved tracking of incidents and the associated remedial action. The lack of a centralised facility to capture and share lessons learned (positive or negative) across the organisation has been identified as an opportunity for further improvement. To this end, it is planned to implement a dedicated portal for capturing and sharing lessons learned from incident investigations, training interventions and the various implementation activities.

Risk management

VPs risk assessment is a consideration for the Anglo American business unit risk assessment processes, including the Safety Health Environment and Community (SHEC) Way used by the Group Discovery and Geosciences function and the issues management process and country risk profiling undertaken by Platinum. De Beers completed a full set of cross-functional VPs risk assessments in alignment with the requirements outlined in the VPs IGT and Anglo American SEAT Toolbox in 2016 and strengthened its management approach to address the identified security-related human rights risks and impacts across

all the De Beers operations and the value chain. The security and human rights related risks are now fully integrated in the risk registers at the operations. It is worth highlighting that the risk assessments completed in Botswana for the first time included members of the community and local police.

We take potential human rights related impacts into account when developing capital projects, both through the technical criteria that guide project development, and the frameworks that guide our decision making around investment.

It is also mandatory that where a substantive intervention from public security forces has been required, or where there have been instances of violence or conflict associated with our operations, a report of the incident is produced. We also piloted Human Rights Impact Assessments in key operations across the Group so that this experience can be shared across the business.

Training and awareness raising

Annual/regular training is provided for all internal security personnel and private security contractors at the operations. In September 2016, we launched a Group-wide security and human rights training curriculum for all operating business units - this is not limited to members of the security/protection services function, but is directed at all relevant functions. At De Beers, a total of 210 candidates from Security and other key functions such as Community Relations, Social Performance, Human Resources, Corporate Communication and Supply Chain as well as Public Security and members of the community have attended the classroom training sessions since the training pack was launched. The training courses will continue in 2017, including a 'train-the-trainer' approach to maximise coverage across the business.



Work on improving our broader human rights performance is underpinned by a Human Rights Working Group at Group level. Individual business units have also established such working groups, e.g. De Beers' was formed in late 2014 to identify human rights impacts across the business, assess risks and controls and create appropriate means of measuring performance. In 2015, the De Beers Working Group received in-depth training and undertook human rights risk and impact assessments across the full De Beers value chain.

Review of progress on implementing the VPs takes place via the annual Social Way site assessments security effectiveness reviews, in line with the [De Beers Best Practice Principles](#) (BPP) workbook assessments and Responsible Jewellery Council (RJC) reviews. The De Beers BPPs provide a key mechanism through which to support respect for human rights across the diamond value chain and industry. They also enable us to place considerable emphasis on the requirements for our suppliers and other business partners to respect human rights.

The Security Maturity Model (De Beers' assessment tool covering a number of control objectives across asset classes), which is used to measure the security effectiveness of the operations, will be further refined in 2017 to incorporate a list of key VPs performance indicators to help gauge program effectiveness. This will provide improved granularity and may identify further opportunities to improve the way in which we implement the VPs within De Beers.

NGO partnership

Since 2011, Anglo American has had a strategic partnership with the NGO [International Alert](#). Continuously advancing and improving the implementation of the VPs is the core element of this partnership, along with awareness raising and training at all levels (from Board to site level) on human rights, business and conflict, as well as participation in joint working groups around the VPs and human rights more broadly. Throughout 2016, International Alert continued to help our Copper business in Chile and Peru, our Platinum, De Beers, Coal and Kumba Iron Ore businesses in South Africa as well as our Iron Ore Brazil business, supporting our continued integration of the VPs into risk assessment and management processes (see more details on country implementation below).

We continue with efforts to raise awareness of the VPs across the company, including as part of our induction process at site level. It is mandatory that the key tenets of the VPs are embedded in contracts with private security providers.

C. COUNTRY IMPLEMENTATION

Anglo American operates in a wide number of countries. We maintain our one-third interest in Cerrejon Coal as well as an exploration presence in Colombia. We have advanced exploration and project development work underway in Peru and Chile, and we have discontinued our exploration work in Mongolia, Liberia and Tanzania. In 2016, we were

exploring in Angola, Canada, USA, Chile, Peru, Brazil, Argentina, Finland, South Africa, Papua New Guinea, Australia, and Zambia. We also conducted exploration reconnaissance activities in Myanmar, Botswana, Bulgaria, Iran, and Ecuador. We have corporate representative offices in Singapore, China and India, but no operations.

Unless mentioned explicitly in the individual country sections below, there is a pre-employment screening process for security employees and private service providers in all listed countries. The process differs from country to country and can include submission of a criminal clearance certificate, psychological tests to ensure individuals never participated in any mercenary work or operated in conflict areas against legitimate governments, or have never been accused and not cleared of human rights infringements.

Unless mentioned, there were no security related human rights complaints or incidents registered through our complaints and grievance mechanisms in the countries listed here.

ANGOLA

De Beers' Exploration division in Angola has contracted Omega Risk Solutions (Pty) Ltd to provide protection services at the office in Luanda and the Lucapa exploration site (currently placed under care and maintenance).

All Omega security officials are checked for any credible involvement in human rights abuses prior to deployment and are required to be trained on how to prevent human rights abuses as a condition of contract.

AUSTRALIA

Metallurgical Coal operates in a highly regulated space where the Australian and the individual State Governments have in place a number of laws enabling strict adherence to the country's international human rights and security obligations. Operations have undertaken due diligence assessments in accordance with the Anglo American Social Way and identified no specific VPs relevant risks or impacts in this process.

BOTSWANA

Debswana, a 50% joint venture partnership between De Beers and the Government of Botswana, only uses in-house Security personnel to protect its assets at their mining operations located at Orapa, Letlhakane, Damtshaa and Jwaneng. Support from Public Security forces is only requested for product movement escorts.

Annual training is provided for all security personnel internally. A total of 61 Botswana employees have successfully completed the standardised Anglo American VPs training course. There are several awareness raising programmes in place at Debswana to promote the VPs, including outreach programs such as the DDA choir and Teemane Drama group that target communities.

The VPs have also been incorporated in the Security Maturity Model criteria and compliance is measured on a regular basis through quarterly reviews by local operational Security/Diamond Control Steering Committees and annual reviews by De Beers Group Security, the BPPs and the Anglo Social Way.

BRAZIL

In 2016, **Iron Ore Brazil (IOB)** conducted a gap analysis on the VPs with the support of International Alert. The main risks and impacts identified were related to environmental human rights related e.g. water, environmental impacts, and land issues. As a result, a communication and engagement plan was developed and will be implemented in 2017. International Alert also trained some 30 employees in relevant areas such as community and institutional relations, social development, land management, resettlement, communications, risk and security.

IOB uses private security providers at both offices and project sites. They are unarmed and audited by the Brazilian Federal Police (in line with Federal Law 7.102/1983). They are overseen by the IOB security team, and a human rights clause is incorporated into their contracts. The clause also requires formal employee training on human rights. Almost 100 contractors were trained in 2016.

The topic of security and human rights is covered in daily / weekly briefs to senior managers. Additionally,

a communication plan for the IOB workforce was put in place and guidelines about human rights – covering themes such as ethical and legal behavior and vulnerable groups - have been distributed to security guards and Anglo American IOB employees in the corporate security function.

Since 2010, IOB has had a grievance system, “Fale Conosco”, which enables its stakeholders, including local communities, to submit their complaints, opinions, compliments and interests. Grievances are tracked. In 2016, no security related incidents were reported.

CANADA

In the main, **De Beers Canada** only makes use of in-house security personnel at its Victor, Snap Lake (currently placed under care and maintenance) and Gahcho Kué mining operations. The newly opened Gahcho Kué mine has recently introduced private security officers supplied by Advanced Security.

Annual in-house refresher training is provided to all security personnel, but this will change in 2017, when all staff will be required to undertake the standardised Anglo American online VPs training.

Blockading of the winter roads leading to the mines remains the highest potential for any VPs related impacts. There were, however, no blockading incidents reported during the period under review.



CHILE

Our Copper business in Chile has no in-house security, but use G4S, part of the UK-based G4S plc group and a subscriber to the International Code of Conduct for Private Security Providers, as their contracted private security provider. Adherence to the VPs is a contractual requirement for them. All employees (not only security personnel) are introduced to the VPs during their induction.

In 2016, we experienced three security related incidents, two occurred during the legal strike of our employees in El Soldado (July) and Los Bronces (September), on both occasions workers blocked access to the operations and in the case of Los Bronces, they also used violence during their demonstrations. The third incident was related to the illegal strike of our contractors in Los Bronces (November), in which they took Los Bronces operations by force. Police were called in to resolve the situation without further escalation.

In December 2016, with these incidents in mind, an internal Superintendency of Industrial Protection was created, its objective being to advise other areas of the organisation in security issues, taking the VPs into consideration. The area reports directly to the Head of Human Resources. These changes aim to improve the way we manage all industrial protection aspects of Anglo American operations in Chile, aiming for improvements in industrial safety for both people and facilities. Anglo American has also been in close contact with local authorities and police to strengthen lines of communication and cooperation that may assist in the handling of any future incidents.

Statistics related to the VPs corresponding to the grievance management procedure are as follows:

Total Los Bronces 2016	Grievances	Incidents	Classification
85	2	3	Minor (1-2)
3	0	0	Moderate (3)

* El Soldado and Chagres don't have related statistics.

During 2017, we continuously worked with International Alert to evaluate our alignment with the VPs and identify any improvement action in Chagres smelter and El Soldado site. As well as strengthen training/ awareness raising on VPs to key internal and external stakeholders.

The Discovery team in Chile does not contract security providers for its exploration worksites.

COLOMBIA

In 2016, we did not conduct any field activities in Colombia and therefore did not require any security support.

NAMIBIA

Namdeb, a wholly owned subsidiary of Namdeb Holdings (Proprietary) Ltd which is owned in equal shares by the Government of Namibia and De Beers, is conducting land-based alluvial mining operations in Namibia's northern and southern coastal regions, and marine-based mining in the Atlantic Ocean off the Namibian coast. Namdeb is primarily making use of in-house security personnel and private security officers supplied by Eagle Night Watch Security (Pty) Ltd. Public Security forces are only used for product movement escorts. Formal human rights and VPs training is provided for all in-house security officials internally. 65 employees have successfully completed the standardised Anglo American VPs training course.

PAPUA NEW GUINEA (PNG)

In 2015, the **Discovery** team entered into a JV with Highlands Pacific (HIG) on the Star Mountain project in PNG, located about 25km from Ok Tedi. The project is an early stage exploration project with some drilling and is currently being managed by HIG. In preparation for the drilling campaign that started in August, there was a minor demonstration at the project's basecamp related to recruitment of local labourers. A local policeman was present during the demonstration. This incident was peacefully resolved through negotiation without the involvement of the police. For the day to day management of the project, the project has no police or security services.



PERU

In Peru, Anglo American employs unarmed security services to monitor and control the flow of people and goods in and out of company sites, as well as physical safeguarding of company personnel, sites and assets. Since January 2012, these services have been provided by G4S Perú S.A.C., part of the UK-based G4S plc group.

Given the complex socio-political context typical of mining sites around the country, local police has been asked at times to provide complementary security services at the **Quellaveco** project site. In order to formalise this relationship, an Agreement for the Provision of Extraordinary Services were entered into on 25 November 2010, which formally ended on 25 November 2015. Simultaneously, the government decided to enact new legislation to standardise these agreements throughout the country. As development of the legislation took much longer than expected – and in fact the process was still ongoing by the end of 2016 – an interim agreement was entered into on 1 June 2016, which takes into account relevant aspects of the new legal context as well as the inclusion of a clause referring to Anglo American's adherence to the VPs.

The agreement served to summon the police when a group of about 114 individuals invaded the Quellaveco project site on Sunday 4 September, in an attempt to impose alleged legal rights by force. Some members of the group attempted to scuffle with the police as well as with private security and company personnel, all of whom retreated and purposely avoided open confrontation while calling on the invaders to leave the site. The group eventually left but not before causing some, relatively minor, damage to property and equipment. In response, the company has initiated legal proceedings against the group leader, José Luis Coayla, who claims that the group (the Association of Owners and Heirs of the Pastales and Altos de Coscore) is the rightful owner of the land. This matter has been the subject of protracted litigation initiated by the Association some years ago, and the Judiciary has consistently upheld the validity of the land transaction between the surrounding community (full name Rural Community of Tumilaca, Pocata, Coscore and Tala) and the Company, all the way to Peru's Supreme Court. Notwithstanding the legal processes initiated against him, the likelihood that the Association may attempt future shows of force cannot be discounted.

There were 19 social incidents during the year, including 13 rated significant (level 3), the most serious of which was the invasion of the project site described above.

Statistics corresponding to the grievance management system called Anglo American Te Escucha (Anglo American Listens) or AATE are shown in the table below:

- The 2016 indicators show a general decrease across the various categories compared to 2015. Total number of cases decreased by 44%, while the number of grievances decreased by 31%, which is noteworthy given that there were less resources available to address these issues compared to 2015.
- Anonymous filings accounted for 15% of the total, which compares favourably with the 19% anonymous filings recorded in 2015. This result suggests improved user confidence in the system.
- Most recurrent cases related to alleged in-work misconduct, unfair labour practices (untimely payments, unfair termination, etc.) and supplier problems (payment delays, unsatisfactory services or products, etc.). About 20% of these cases merited corrective actions.

The AATE procedure was updated and a procedure to manage social incidents was approved. In both cases there is specific identification of human rights cases, including a section on the treatment of cases of sexual harassment, and a system to channel Speak Up cases which may have been captured via the AATE system.

In the case of alleged human rights abuses, these are addressed by a special ad-hoc committee (multi-managerial committee) and the resolution of the cases should be agreed with the aggrieved party.

AATE filings and social incidents dating back to 2012, along with the respective responses, are recorded with the George software for analysis and identification of trends (1355 cases recorded to date).

2016 actions completed:

- Quellaveco's Human Rights Governance Policy was approved. The opening session of the Human Rights Committee took place in December, with the participation of the Project VP and the managerial functions involved in the governance of the system.
- 190 people were given training in Human Rights and the VPs, including 54 police members and 28 security contractors.
- Two workshops dealing with human rights risks were conducted in April and November, with support and advice provided by International Alert and the participation of the Community Relations, Security, Supply Chain, Environment, and Communication functions.

With respect to Anglo American's exploration activities in Peru: Exploration does not contract any security providers on its exploration worksites. Nevertheless, the topic of security and human rights is covered through the WRAC (Workplace Risk Assessment and Control), the Anglo American Exploration Way and the SHEC Way (Safety, Health, Environment and Community).

	Employees (average)	Anglo American Listens (filing statistics)			Anonymous filings
		Total	Grievances	Consultations	
2016	1,384	238	178	60	36
2015	1,521	426	259	167	81
% change	-9%	-44%	-31%	-64%	-56%

SOUTH AFRICA

South Africa has continued to receive close attention from a security and human rights perspective during the 2016 reporting period. Many of the underlying causes for violence are deeply rooted in the overall socio-economic and socio-political circumstances of the country – a fact that Anglo American fully acknowledges and does its best to continue in contributing to address these challenges. In 2016, potential tensions have been exacerbated by the downturn in commodity prices and potential mine closures or divestments.

VPs related government relations activities

Against this backdrop, **De Beers** has continued to engage widely with relevant stakeholders regarding the implementation of the VPs and respect for human rights and participated in a number of forums in South Africa, such as the Chamber of Mines, Mine Crime Combating Crime Forum and National and Provincial Joint Operations Committee meetings with the Police to ensure that all activities to maintain law and order in and around our operations are consistent with the Security and Human Rights Standards and executed in a manner that respects the human rights of our staff and members the community.

Platinum also engages with various relevant stakeholders regarding the implementation of the VPs and respect for human rights. Platinum participates in monthly forums such as the Chamber of Mines Standing Committee on Security (SCOS), Mine Crime Combating Crime Forum (MCCF), Non-Ferrous Metals Crime Combating and Greed Committees (NFMCCCG), National Coordination Strategic Management Team (NCSMT), and at the National and Provincial Joint Operations Committees where all state security departments are involved with an aim to ensure that all activities to maintain law and order in and around our operations are consistent with the Security and Human Rights Standards and are executed in a manner that promotes and protects the human rights of Anglo American staff and the community in general.

VPs implementation in South Africa

Platinum remains a business unit with significant security challenges; this is due to the value of the product, as well as the state of the platinum mining industry in general. The platinum industry remains at risk of inter-union rivalry which heightens both the risk of industrial action as well as violence. The socio-economic and socio-political conditions of some host communities are a further contributing factor to this risk especially with regard to stakeholder issues. In 2016, Platinum experienced sporadic incidents of social unrest and industrial action which had a moderate impact on some of the mining and processing operations, i.e. Mogalakwena mine, Twickenham mine as well as Waterval and Polokwane smelters. Protection Services (PS), through Social Performance Teams and the Local Government, engages with the leaders of the community at the municipality level to discuss various issues including

community unrest matters. Once PS receives information that the community is planning to disrupt the activities of the operation, the PS Manager, in collaboration with the Social Performance Team, proactively engages the established community task teams and other leaders of the community, to ascertain what motivates the community to engage in a violent act and determine whether the grievances could be addressed without the disruption of the operation and engaging in violence.

The organisational structure of PS consists of 680 in-house security personnel members and 823 private security employees utilised at all operations. This hybrid model was also used to augment PS personnel figures during industrial strikes and sporadic community unrests. Platinum maintained its position and operational model in which in-house security assumed full command and control of all private security teams with regard to any deployment, operational supervision and management. The Platinum security responsibility includes the protection of personnel, assets and products at project sites, operations (mines/concentrators/smelters/refineries) and offices. The requirement for contract security varies from time to time depending on operational activities, and through following formal Anglo American Group risk assessment.

No PS member exceeded 12 months without undergoing refresher training. No private security contractors on any actively managed Platinum operations use security dogs or carry firearms.

Risk assessments were reviewed at operations in line with SEAT and [revised Platinum VPs Policy remain in place and is due for revision on 15/05/2017](#)

Hiring and supervision of contract security is managed in accordance with International Code of Conduct on Private Security Companies coupled with the regulations of the Private Security Regulatory Authority of South Africa (PSIRA).

A Platinum procedure entitled “Engaging and Managing Private Security Companies” including due diligence was developed and implemented to ensure consistent application and compliance with this code and regulations. The procedure has further been communicated and integrated into contract security agreements by Supply Chain to ensure continuous compliance.

The Contractor Security Induction Pack, designed and implemented in 2013, is utilised to ensure that PS training personnel is able to check compliance with South African Legislation and the International Code of Conduct on Private Security Companies. PS in-house security (training personnel) provided training with regard to crowd management, the use of non-lethal weapons, the use of force during arrest situations, the searching of persons and VPSHR before deployment of private security personnel.

The VPs were incorporated into and form the basis of the following PS procedures:

- Crowd Management Procedure
- Use of Force Procedure
- Close Protection of Employees Procedure
- Firearm and Ammunition Procedure
- Protection Service Force Continuum
- Protection Service Rules of Engagement

The VPs, as well as the Platinum policy and procedures, are discussed with local law enforcement agencies as part of on-going engagement. Although there is no Memorandum of Understanding (MoU) between the Group and the National South African Police Service (SAPS), Platinum has MoU's with the SAPS on its operations at provincial level. Furthermore, Platinum does not contract public security forces. Public or State Security Forces will only be present on Platinum sites, if and when public order is disturbed as is required by law. In those cases, Platinum provides VPs related documentation accordingly.

The number of incidents involving violence recorded during the reporting period (2016) reflected a decrease of 5% to 76 cases against the corresponding period (2015), during which 80 incidents of violence were reported. The majority of incidents (57) were abusive behaviour (e.g. intimidation, victimisation and assault cases in which victims normally do not proceed with criminal charges). A smaller number of cases (18) consisted of violent crimes (criminal assault, attempted murder and murder), and there was one incident of sexual crime. 86 suspects were identified in 66 cases. Anglo American employees comprised 84% of the total number of suspects identified and contract employees 13%. 3% of suspects were community members. No suspects were identified in 10 cases. 75 of these incidents occurred inside Platinum boundaries and one outside the mine boundaries with the incidents relating to mine employees.

2016 was marked with a number of attacks including stones thrown at PS members and intimidation incidents. Some of the incidents suffered by PS members including Contracted Private Security resulted in medical treatment cases due to minor injuries. There was one reported allegations of human rights infringements, namely:

On Friday the 02/09/2016 at 19:00 a Patrol Person assaulted a contract employee at Dishaba SAV gate. The perpetrator stated that the victim was arrogant with him. The Patrol Person involved was employed

at Amandelbult Protection Services at the time and the incident took place whilst he was on duty. A full investigation into the incident was conducted and disciplinary proceedings were instituted. The perpetrator was found guilty of the alleged misconduct and subsequently dismissed. The incident was also highlighted during PS briefing sessions and all PS and Contract Security personnel were sensitised to the incident. The contract employee did not proceed with a criminal case against the perpetrator.

The PS management team participated in various VPs initiatives, namely:

- A Human Rights Due Diligence Capacity Building workshop facilitated by NGO Shift and attended by various departments where Human Rights (HR) challenges, impacts and means of embedding HR into business were discussed.
- A follow-up workshop by Shift and attended by various departments and where HR risks and impacts, mechanisms for integrating HR into business, tracking and monitoring of HR risks were adequately deliberated upon.
- A risk management workshop attended by various departments and where top event risks (industrial actions, social unrest, criminal activity and illegal land encroachment) with risk owners for Platinum were identified, analysed and prioritised. Moreover, PS bowtie analysis on violation of human rights was carried out and additional mitigation controls were implemented.
- Platinum Group Policy on VPs was reviewed and approved.
- VPs training materials were reviewed. Platinum and De Beers were instrumental in developing the aforementioned operational Anglo American Group VPs training and development strategy supported by learner and facilitator guides which were launched in September 2016.
- Materiality mapping workshop was facilitated by Integrated Reporting and Assurance Services where most material issues were identified and prioritised.
- Anglo American Social Way annual assessments on VPs were held in which most operations scored 3 out of 5, except Unki Mine in Zimbabwe which scored 4 out of 5. Improvement plans would be developed to ensure operations move from compliant (3) to proactive (4) status.

	Number of PS employees	Number of complaints (grievances)	Number of PS staff trained	Number of private security trained
2015	1082	3	1056 (97.6%)	596 (83%)
2016	680	1	680 (100%)	743 (88%)
Change in %	37 % decrease	66.6% decrease	2.4% increase	5% increase

Coal South Africa has currently ~80 in-house security personnel and ~819 contracted persons from several private security providers. Their contracts require compliance with Anglo American values and Code of Conduct, including the VPs – which are part of a dedicated “Letter to Suppliers”, i.e. a contractual requirement for contractors. Following the gap analysis with International Alert in 2015, a dedicated training course has been designed but has not yet been fully rolled out across the business. Several workshops on the VPs were conducted during 2016 whereby a total of 53 in-house members and 471 private security members received training. The high turnover of employees remains a challenge. Security personnel carrying lethal and non-lethal firearms undergo a bi-annual evaluation in accordance with the Firearms Control Act (Act 60 of 2000) as well as the Anglo American Coal HO Firearm Control Standard (AATC019623). Procedures for recording and reporting security related incidents are in place. Coal South Africa has an ongoing engagement plan, updated annually, that includes specific engagement activities such as public consultations and forums.

Anglo American majority owned **Kumba Iron Ore (Kumba)** uses in-house security personnel supported by private security companies. No public security providers are used even though close cooperation exists in all areas with the South African Police Services (SAPS).

All in-house personnel and contractors receive formal training in the company values, which include human rights, as well as the private security industry regulatory authority training courses, which include modules on legal aspects pertaining to human rights as prescribed by the Constitution of South Africa and the Criminal Procedures Act. A specific VPs training course is given to all employees and contractors who have the right level of risk exposure. Excluding e-learning, a total of 12 on-site classroom training sessions were held in 2016. 436 employees and contractors attended this training in 2016.

Formal complaints and grievance mechanisms with specific categories relating to human rights are in place at all Kumba operations and the corporate office. An on-line reporting application has been developed and implemented at Kumba to facilitate logging and management of incidents related to human rights violations. No such incidents were reported at Kumba during 2016.

The **De Beers** operations in South Africa mainly make use of in-house security personnel and private security officers supplied by G4S Secure Solutions (SA) (Pty) Ltd, part of the Africa Division of the UK-based G4S plc group, as their contracted private security provider.

De Beers has incorporated, as a standard in all its contracts with private security service providers, that involvement in human rights abuses will be reason for immediate contract termination and that all security officials providing services must be trained on how to protect human rights in their area of work.

Formal human rights and VPs training is provided for all in-house and private security officials. The VPs have also been incorporated in the Security Maturity Model (De Beers' assessment tool covering a number of control objectives across asset classes), which is used to measure the security effectiveness of the operations; compliance is compulsory.

Notwithstanding the fact that De Beers experienced a sudden spate of industrial strike action (10 occurrences) in 2016 at Venetia mine and three civil protest events in Musina and the surrounding communities that required interventions from the local law enforcement agencies, no complaints or incidents related to security and human rights were reported through the current complaints and grievance mechanisms during the period under review

Although illegal mining remains one of the security challenges in South Africa with the highest potential for human rights and VPs related impacts, the risk for De Beers has been reduced significantly with the sale of Kimberley mines in January 2016.



ZAMBIA

In Zambia, Anglo **Exploration** (Zambia) Limited requires the services of unarmed security to monitor and control the movement of people, goods and equipment in and out of the company's Lusaka Country Office and the company's Exploration Base Camp in Zambezi District.

At the Lusaka Country Office, G4S Secure Solutions Zambia Limited, were chosen as the preferred service provider and there is a signed legal contract in place. G4S provides a 24-hour security service with no armed guards. However, the night service includes a dog and a dog handler. The country office premises have an alarm system linked to G4S. An SMS service notifies selected management personnel each time the office is opened.

Risk Assessments are done following Observation Card reporting of possible security breaches. These assessments have resulted in installation of CCTV, electric fencing and additional access control during the night. These potential security breaches are communicated to and discussed with G4S personnel. The possible security incidents are discussed during safety meetings, are reported via Observation Cards and are managed through the close-out procedure for observations.

At the Exploration's base camp in Zambezi, Scorpion Security and Investigations Limited, a security company with its head office in Lusaka, provides unarmed security services. At the time of starting field operations in July 2013, Scorpion had established itself as the company with local knowledge and was (and continues to) providing services to the banks in Zambezi. A renewable annual contract is in place with Scorpion.

In the project areas, security issues and incidents are managed by the Stakeholder Communication SOP and are reported and monitored through the Community Engagement Cards. Where required the local police can be asked for assistance.

Security Risk Assessments are completed at the start of the field season, before and during political activities, before mobilisation of drilling equipment and before closure of the field season.

In 2016, a minor incident occurred when two of our field staff were detained by a tribal chief on the west bank of the Zambezi River near Zambezi. The chief was concerned that we were withdrawing from his lands without informing him. Local Anglo American management met with the chief to explain that we were withdrawing from the area due to the oncoming wet season and we would be active again on his lands in 2017. The situation was peacefully resolved.

D. LESSONS AND ISSUES

1. Lessons or issues from this reporting year, as well as plans or opportunities to advance the Voluntary Principles for the organization.

Integrated into Section C Country Implementation.



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