

2017 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 strongly committed to implementing the VPs and applies them [in all its managed operations](#). Care and respect is one of our values, and respect for human rights is at the heart of how we do business and our Code of Conduct. 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 people. Our commitment is also stated in our annual [Sustainability Report](#) and in the annual [De Beers Report to Society](#).

Anglo American promotes the VPs at both the local and international level. Our chairman, 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.

Anglo American delivered a verification presentation at the 2017 Voluntary Principles Plenary Meeting in Ottawa and served as a peer reviewer for one of the other presentations hosted at the Voluntary Principles Association (VPA) Annual General Meeting.

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 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 \(SEAT\)](#). This is guided by the Implementation Guidance Tool (IGT) and is mandatory for all our operations. Our operations can have a range of potential impacts on local communities. SEAT is the toolkit by which we ensure that our sites take a holistic approach to identify community concerns and work to address them.

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 negative impacts on communities, whilst also guiding our engagement with these communities. Each operation is required to conduct human rights due diligence; furthermore, each site must undertake specific conflict and human rights related risk assessments, consult with stakeholders on security and human rights related issues, conduct due diligence on any potential public and private security providers, provide training and report on any incidents or challenges of a relevant nature and severity.



Kolomela mine at
Kumba Iron Ore in
South Africa.

In addition, some of our business units have implemented their own VP specific policies in support of their commitment to maintain the highest ethical standards with regard to human rights in the application of 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 do not have a criminal record, b) are clear of any 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 does 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](#).

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](#).

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 Geoscience (GDG) team (our internal exploration group) and the issues management process and country risk profiling undertaken by Anglo American Platinum Ltd (Platinum). 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.

Potential human rights related impacts are taken 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 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.

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 Protection Services function, but is directed at all relevant functions.

In 2017, we re-established the cross-functional and business unit-wide Human Rights Working Group that meets on a quarterly basis. The aim of the Working Group is to build capacity across the Group and share best practice, in order to increase awareness and better manage human rights risks at all levels. In 2017, De Beers Human Rights Working Group began analysing human rights risk assessments from across upstream operations (including SEAT and VPs risk assessments) to identify common issues and challenges and prioritise areas for improvement.

We continue to raise awareness through site and Group-level due diligence processes. In 2017, all of our 33 active fully managed operations achieved compliance with the Anglo American Social Way requirement on Human Rights Due Diligence.

Security effectiveness is assessed as part of the Social Way site assessments - these assessments are conducted in line with the [De Beers Best Practice Principles](#), the workbook assessments, and the Responsible Jewellery Council (RJC) reviews. The Security Maturity Model - De Beers' assessment tool covering a number of control objectives across asset classes - has been further refined to incorporate a list of key VPs performance indicators to help gauge programme effectiveness. This provides improved granularity and may identify further opportunities to improve the way in which the VPs are implemented 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 focus element of this partnership, along with awareness raising and training at all levels (from Board to site) on human rights, business and conflict, as well as participation in joint working groups around the VPs and human rights more broadly. Throughout 2017, International Alert continued to help our business units.

For example, International Alert conducted trainings, facilitated a number of risk workshops and undertook to inspect the status of progress in implementing the VPs at a number of our South African business units. This resulted in a report that sets out International Alert's findings and recommended next steps to address the issues identified.

We continue with efforts to raise awareness of the VPs across the organisation, 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 and De Beers operate in a large 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 under way in Peru and Chile. In 2017, we were exploring in Angola, Australia, Botswana, Brazil, Canada, Chile, Ecuador, Finland, Namibia, Papua New Guinea, Peru, South Africa and Zambia. Group Discovery and Geosciences (GDG) also conducted short reconnaissance trips in Bulgaria, Ecuador, Iran, Kosovo, Serbia and Macedonia. We have corporate representative and sales offices in China and India, and a Marketing business in Singapore.

Unless mentioned explicitly in the individual country paragraphs 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 have 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 below.

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

Our **Metallurgical Coal** business in Australia operates in a highly regulated space where the Australian and the individual State Governments have in place a number of laws enforcing strict adherence to the country's international human rights and security obligations. Our Metallurgical Coal 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 between De Beers and the Government of the Republic of Botswana, only uses in-house security personnel to protect its assets at its mining operations located at Orapa, Letlhakane, Damtshaa (OLDM) and Jwaneng. Support from public security forces is only requested for product movement escorts.

Annual training is provided for all security personnel internally. A further 123 Botswana employees successfully completed the standardised Anglo American VPs training course in 2017. There are several awareness raising programmes in place at Debswana to promote the VPs, including outreach programmes 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, via the BPP Assurance Programme and the Anglo Social Way.

BRAZIL

In 2017, **Iron Ore Brazil (IOB)** focused on a work plan considering human rights, main risks and impacts related to the VPs. IOB updated risks and impacts previously identified in a gap analysis developed by the Danish Institute for Human Rights, with the support of International Alert. An engagement and training plan was implemented during the year. The main objective was to ensure that the business unit takes into consideration human rights in the risk and impact management, and that the employees understand the importance of the subject in their daily activities. Details of the work plan, engagement and trainings are described below:

- 15 employees trained from the following departments: Social Development, Security, Communications and Human Resources
- 100% (equivalent to ~100 people) from the security team and third-party security received training
- An awareness workshop held for 70 contractor companies, to discuss Anglo American's Human Rights Policy.
- Alignment with ERM consultancy, to support IOB SEAT development of VPs and Human Rights
- Participation in UN Global Compact Human Rights Working Group
- Established an internal multi-disciplinary committee to discuss human rights and SDGs
- Targeted training given to the Communications and Fale Conosco teams to better communicate IOB's position, both internally and externally regarding human rights

Fale Conosco is IOB's grievance mechanism system. The system allows various stakeholders to submit complaints, opinions, compliments and interests anonymously.

IOB uses private security providers at its offices and 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 included in their contracts. The clause also requires formal employee training on human rights

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

From the local perspective, municipal public security does not have sufficient capacity to deal with complex situations. In such cases, the Police Battalion responsible for the region (located at Diamantina, 150km away from Conceição do Mato Dentro) can provide required support and reinforcement. In 2017, Police Battalion assisted in a public meeting that was part of the licensing process – the event was attended by community members and Anglo American employees, in total more than 1,500 people.

Exploration in Brazil

In 2017, GDG Brazil conducted three distinct discovery projects in Brazil, with administrative activities in its central office in Goiânia.

For field activities, GDG Brazil prioritised and requested from its contractors the hiring of people from the community, as well as the use of local hotels and restaurants to promote local development. Also, in contracts for outsourcing of services and labour, GDG Brazil establishes specific formal clauses of observation and compliance with the VPs.

Security risks were assessed within WRAC (Workplace Risk Assessment and Controls) at the start of the projects and office activities, considering it as “External threats”.

In the third quarter of 2017, Code of Conduct training was delivered to the GDG Brazil team members by the Governance and SHEC team, and included training on the VPs and Business Integrity. Digital and hard copies of the Code of Conduct were distributed to every team member of GDG Brazil.

Private security services were maintained for night vigilance of the central office facilities, as a prevention measure. No additional internal or external security services were needed.



Aline Oliveira and João Silva at the Minas-Rio Processing Plant Complex in Brazil.

CANADA

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. Gahcho Kué (which commenced commercial production in March 2017) has recently introduced private security officers supplied by Advanced Security.

Annual in-house refresher training is provided to all security personnel. In 2017, a number of staff also undertook 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.

Los Bronces, Chagres and El Soldado operations. Participants were familiarised with the VPs, and they worked on the identification of risks associated with security. With the information obtained, action plans were generated and recorded in a Voluntary Principles Action Plan to address identified risks.

In relation to Los Bronces, the actions established in the Voluntary Principles Action Plan continue to be implemented. Additionally, during December, International Alert led a workshop to train people in positions of influence about human rights, considering both the Guiding Principles and the VPs, to promote the transfer of knowledge in these issues within Anglo American in Chile.

Going forward, an internal working group will be implemented to reinforce implementation of actions within the operations and enhance awareness amongst employees and contractors.

CHILE

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

In July 2017, International Alert delivered a workshop to Industrial Protection Departments, as well as Social Development & Community Departments from our

Exploration in Chile

During 2017, all projects were at early greenfields stage without drilling activities, so no basecamps were established. Internal or external security forces were not engaged for these activities.

In November 2017, the GDG SHEC Specialist attended an internal VPs training and the full GDG Chile team is scheduled to attend this training in 2018. VPs scenarios have not been considered in the Chile baseline risk assessment or project risk assessment, however, this will be included in the 2018 reviews.

Patricio Guajardo, Carlos Vasquez, Fernando Donoso supervise operations at the Las Tortolas tailings dam in Chile.



COLOMBIA

There were no active exploration projects in Colombia in 2017. There were activities related to socialisation and relationship building with local communities that live in the areas where Anglo American has mining properties and in locations of future potential interest. Meetings were held with social leaders and local authorities and institutions with the objective of evaluating the accessibility conditions to the mining titles and applications.

No special protection measures were required. There were no engagements of the army, however, Anglo American maintained continuous contact with the military brigades to coordinate our mobilisations and collect information regarding the security conditions in the areas of interest. We duly informed all stakeholders that we are signatories of the VPs and that as a company we adhere to the same and ensure what we say is what we do.

FINLAND

Current activities include regional exploration work and the Sakatti project which is now entering pre-feasibility. VPs training was not conducted in 2017 and is not planned for 2018 as this is not considered an exposure for the Finland team. No security forces were engaged in 2017.

NAMIBIA

Namdeb and **Debmarine Namibia** are wholly owned subsidiaries of Namdeb Holdings (Proprietary) Limited – which is owned in equal shares by the Government of the Republic of Namibia and De Beers – are 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. 79 employees have successfully completed the standardised Anglo American VPs training course.

NORTH AMERICA

Activities for GDG in North America involve regional exploration within Canada and a drilling programme in Arizona. There is one joint venture partner in Arizona in one of the projects, Bronco Creek Exploration, but Anglo American is the operator.

No security forces were engaged in 2017.

VPs scenarios are not considered in the GDG North America country baseline or project risk assessment. VPs will be considered as part of the 2018 risk assessment review programme, and training on VPs is scheduled for 2018.

PAPUA NEW GUINEA (PNG)

2017 saw the continuation of the drilling campaign on the Highlands Pacific Limited (HPL)/Anglo American joint venture project at Star Mountains, which concluded in October 2017. Anglo American exited the project early 2018.

During the 2017 period there were no significant VPs related incidents. However, there were two minor misunderstandings that occurred between the community and our operations. These were rectified without any intervention from external security providers and only required clarification discussions with the relevant parties.

The initial incident in February 2017 involved local land owners protesting about an individual from HPL management being onsite. He voluntarily left the site until the misunderstanding was resolved through local discussions. The matter was not about the individual, but rather the way the engagement of the individual was incorrectly described to stakeholders and disseminated without due consultation.

The most recent incident occurred during the demobilisation of the drilling rig and camp, where the local landowner interrupted this as they believed Anglo American was leaving the site permanently. Although prior to the demobilisation it had been communicated by our Community Affairs personnel that Anglo American was only stopping temporarily, we needed to reiterate the message to the individual.

VPs scenarios are considered in the Australasia baseline risk assessment and the Star Mountain project risk assessment.



The mv SS Nujoma, Debmarine Namibia's diamond-sampling vessel.

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 September 2016 these services are being provided by Prosegur S.A. – a subsidiary of Spain-based Prosegur Compañía de Seguridad, S.A.

Given the complex socio-political context, local police have been asked at times to provide complementary security services at the **Quellaveco** project site. To formalise this relationship, an Agreement for the Provision of Extraordinary Services was entered into on 25 November 2010, which formally ended on 25 November 2015. An interim agreement was entered into in 2016, and a new agreement was signed in December 2017. The agreement considered relevant aspects of the emerging legal context as well as the inclusion of a specific clause referring to Anglo American's adherence to the VPs.

In 2017, Anglo American Quellaveco S.A. (AAQ) and the National Police of Peru (PNP) entered into a Specific Cooperation Agreement. The agreement enables the PNP to deploy up to three non-active police personnel (i.e. on their free time or on holidays) who voluntarily sign-up to perform police duties (i.e. uphold the rule of law) in line with the Peruvian law.

AAQ specifically recognises that it has no hierarchical control over the police personnel assigned and commits not to interfere with their activities, the only exception being SHEC regulations applicable to company installations which said personnel must agree to observe.

To fund the deployment, AAQ directly pays the PNP the cost of the overtime income earned by the deployed personnel, as well as the corresponding institutional costs as provided by the PNP. Also, AAQ purchases death or disability insurance on behalf of said personnel.

As expressly required by AAQ, an annex was added stating that, prior to deployment on site, the police personnel will be made aware of Anglo American's adherence to the VPs, as well as other company-specific guidelines of ethical behaviour through the Group Code of Conduct. AAQ also commits to provide suitable training on these guidelines during the induction process.

Given the lack of proper infrastructure and other logistical scarcities in the area of Quellaveco, AAQ also commits to provide the personnel with food, lodging, and transport to

and from the deployment site. It is specifically stated that this does not include police uniforms and gear, particularly PNP-issued weapons.

Looking forward, the agreement will guarantee a stable police presence in Quellaveco, which should serve as a deterrent for unlawful activities coming from third parties.

In line with the preceding, Quellaveco's Human Rights Performance and Management Committee, with the support of International Alert, risk-evaluated a number of potential social strife scenarios involving the participation of the police and the associated human rights implications, in order to develop preventative measures and/or remedial protocols as applicable.

In 2017, there were 14 social incidents, including 12 rated significant (level 3), the most serious of which was a wildcat demonstration staged in front of Anglo American's administrative offices in Moquegua, instigated by a local authority, who mistakenly blamed the company for committing legal transgressions, which was peacefully resolved through dialogue.

A Consultation and Claims Attention Module was launched in the George stakeholder engagement system, where all Anglo American Te Escucha filings are registered and processed; including the option of classifying them as human rights issues. These filings are then given to Quellaveco's Human Rights Performance and Management Committee, for evaluation and adequate resolution.

In coordination with the Supply Chain and Legal functions, all contractual agreements with commercial partners – contractors, suppliers and others – include references to Anglo American's human rights policies and adherence to the VPs.

127 people received training on Anglo American's Human Rights Policy as well as the VPs. Training was given to personnel in the Community Relations teams who deal with local authorities and communities, as well as people who operate our social programmes (education, agriculture, etc.). Training was also provided to two members of the police and 43 private security agents (Prosegur).

Exploration in Peru

GDG's Peru activities involved drilling at the Corcapunta project in Ancash Region. The project is an early stage exploration project with two drilling holes completed to date.

VPs scenarios are considered in the country baseline and project risk assessments.

SOUTH AFRICA

VPs related to government relations:

In promoting the VPs, De Beers, Platinum and Coal South Africa remained committed to engagement with various relevant stakeholders regarding the implementation of the VPs through participation in forums such as: the Chamber of Mines Standing Committee on Security (SCOS), National Coordination Strategic Management Team (NCSMT), Non-Ferrous Metal Crime Combating and Greed Committees (NFMCCCG), Mine Crime Combating Forum (MCCF), and at the National and Provincial Joint Operations Committees where all state security departments are represented, as well as the Illegal Mining Forum (IMF) in conjunction with the South African Department of Minerals Resources, state security agencies, private security agencies linked to other mining houses and relevant stakeholders.

VPs Implementation:

Platinum

Platinum remains a business with significant challenges. This is due to the high value of the product, as well as the diverse challenges faced by the platinum mining industry in general. Whilst the risk of inter-union rivalry has subsided considerably compared to 2016, the platinum industry remains at risk from community protests due to socio-economic and socio-political conditions. Platinum experienced a significant increase in the number of violent social unrests and community-based industrial action incidents in 2017. Social unrest incidents that occurred outside of the immediate vicinity of Platinum operations on non-platinum related issues had a moderate effect on daily operations within Platinum, particularly pertaining to product movement. The socio-economic and socio-political conditions of some host communities are a further contributing factor to this risk. Social unrest incidents originating within host communities had a moderate impact on mining and processing operations at the Mogalakwena, Twickenham and Union mines, the Mototolo Concentrator, as well as Waterval Smelter.

The effect of all potential unrest incidents was minimised through a proactive approach in which Social Performance teams, local government, community leaders and established community task teams play a pivotal role. Once Protection Services receives information that the community is planning to disrupt the activities of an operation, the Protection Services Manager, in collaboration with all the Social Performance role players, proactively engages the aggrieved party. Collaboration with state security agencies, municipal traffic agencies and road management companies further serves to ensure that Protection Services receive early warning about social unrest on public roads outside of the immediate vicinity of the Platinum operation. This early warning system allows Protection Services to adjust product movement routes to avoid affected areas.

The organisational structure of Protection Services consists of 801 in-house security personnel members and 749 private security employees (namely; G4S,

Mogalakwena platinum mine in South Africa.



Fidelity, Phothoma, Bidvest, and Global Strake) utilised at all operations. Platinum utilises this same hybrid model in which Protection Services assume full command and control of all private security teams about 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 because it depends on operational activities.

No Protection Services 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 the Platinum Group Policy on VPs was also reviewed during 2017.

The Contractor Security Induction Pack remains in use to ensure that Protection Services training personnel can check compliance with South African legislation and the International Code of Conduct on Private Security Companies. Protection Services have conducted a roll out of the new Anglo American VPs training material to all Protection Services operations, thus replacing previously utilised Platinum-specific training material. Protection Services in-house security (training personnel) provided training regarding crowd management, the use of non-lethal weapons, the use of force during arrest situations, the searching of persons and VPs before deployment of private security personnel.

The VPs form the basis of the following Protection Services 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; Effective Use of Service Dogs; Engagement and Managing Private Security Companies; Polygraph Testing Procedure; Search Procedure; Questioning of Alleged Offenders During Investigation Procedure.

Platinum does not contract public or state security agencies; these agencies will only be present on Platinum premises as required by law, when public order is disrupted. In such cases, Platinum provides VPs-related documentation accordingly. Platinum furthermore has a Memorandum of Understanding between the Group and the local and provincial South African Police Services for each of its operational sites.

The Protection Services management team participated in various VPs initiatives, namely:

- A risk management workshop facilitated by International Alert and attended by various departments; causes, consequences and controls of priority unwanted events such as industrial actions, social unrest, criminal activity and illegal land encroachment were identified, analysed and prioritised
- Platinum Group Policy on the VPs was reviewed and the VPs were incorporated as the basis for many reviewed procedures



Landau Collieries in South Africa.

- A comprehensive roll-out of the new VPs training lecture material to all Protection Services operations and all contract security personnel was conducted during 2017
- Anglo American's Social Way annual assessments on the VPs were held, in which most operations scored 4 out of 5. Improvement plans will be developed to ensure operations move from compliant (4) to proactive (5) status

Coal South Africa

Coal South Africa remains a business unit with significant security challenges due to both the high crime rate in South Africa and the divestment process for certain assets which poses additional risks and has the potential to develop into crime risks, such as theft, corruption and intimidation. Socio-political and economic influences in the local communities are a further contributing factor, especially regarding stakeholder issues, such as calls for "nationalisation of mines", political rallying, poor municipal service delivery and retrenchments in the mining sector. Community unrest and protest action are becoming more prevalent and the reasons for protest range from demand for jobs, to infrastructure and royalties.

In 2017, Coal South Africa had a total of 13 incidents of community protest at various mines with demands for employment, contracts and housing. Due to this, mines have established forums and participate in ongoing discussions with local communities and local government structures to resolve issues.

Coal South Africa's Protection Services security approach is based on respect for people and human rights and is guided by VPs are integrated into Anglo American's Corporate Policy on VPs and Human Rights and all Protection Services members are trained to follow them. Protection Services members and private security staff are governed by the Coal South Africa Protection Services Code of Conduct.

All Protection Services members, including private security members, undergo induction and subsequent refresher training on a yearly basis; Tactical team members undergo VPs refresher training every three months.

Workshops on the VPs were rolled out during 2017 to all the Coal South Africa mines and head office. Participants included: heads of departments, training manager, HR BP/specialist, community superintendent, and Protection Services manager. 177 employees attended the roll-out sessions across Coal South Africa.

Coal South Africa does not employ public security, however, in the event of civil disturbance the public security forces (South African Police Service - SAPS) will be present, as required by law, to maintain peace and stability. VPs are discussed with local public security forces as part of ongoing engagement. All eight Coal South Africa's collieries have a Memorandum of Understanding (MOU) with their local SAPS Stations and are in the process of negotiating MOUs with the various SAPS Public Order Police units. This should

be concluded in 2018. In addition, the Anglo American VPs training pack has been submitted to the SAPS Communication Officer and Station Commanders who positively responded, showing their commitment with regard to training their members.

The organisational structure of the Coal Protection Services consists of 81 in-house security personnel and 791 private security employees. We currently have three security service providers; Bidvest Protea Coin, Fidelity Security Services and Stallion Security. All service providers and security officers are registered with Private Security Industrial Regulating Authority (PSIRA). In-house security assumes full command and control over private security teams and is ultimately responsible for the protection and security of Coal South Africa's valuable assets.

The private security service providers contracts require compliance with Anglo American's values and Code of Conduct, including the VPs – which are part of a dedicated "Letter to Suppliers", i.e. contractual requirement for contractors. Following the gap analysis with International Alert in 2015, workshops on the VPs were conducted during 2016 and 2017 whereby a total of 81 in-house members and 359 private security members received training.

The VPs were incorporated into, and form, the basis of the following Protection Services procedures: Crowd Management Procedure; Use of Force Procedure; Firearm and Ammunition Procedure; Handling and Control of dogs Procedure; Rules of Engagement Procedure.

In-house Protection Services, as well as security contractor personnel carrying lethal and non-lethal firearms, undergo a bi-annual evaluation with independent training evaluator and three in-house evaluations in accordance with the Firearms Control Act (Act 60 of 2000), as well as the Anglo American Coal South Africa head office 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.

The VPs will be included in induction programmes on all the coal mines. 16 Coal South Africa Protection Services training officials and 10 Security Service provider members have attended "train the trainer" courses and will be assisting with the VPs training on the mines.

Coal South Africa complaints and grievance management mechanism follows Anglo American's guideline highlighted on SEAT tool 4A. Stakeholders are encouraged to raise their complaints and grievances about Coal South Africa. Complaints and grievances are submitted in person, telephonically, through meetings, recorded in complaint books and via Speak Up.

The Coal South Africa Stakeholder Engagement Plan (SEP) provides a framework for proactively engaging and communicating with stakeholders (i.e. employees,

contractors, suppliers, communities, relevant government bodies and other stakeholders). Stakeholder engagement is an ongoing activity that commences during exploration and continues through to mine closure. The SEP is updated annually as part of the Social Management Plan. The ongoing programme of stakeholder engagement will also include specific engagement activities such as public consultation and forums.

Private security companies are selected as part of a RFP (Request for Proposal) process in accordance with Supply Chain procedures. It is mandatory that the selected service providers, as part of the due diligence process, adhere to the Private Sector Industry Regulatory Authority regulations and legal aspects pertaining to human rights as prescribed by the Constitution of South Africa and the Criminal Procedures Act (51 of 1977). All suppliers receive formal training on Anglo American's Code of Conduct.

De Beers

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.

There were a number of labour unrest incidents and civil protest events at the Venetia mine and the surrounding communities that required interventions from the local law enforcement agencies: there were a total of eight community-related incidents of which seven resulted in some form of traffic disruption (i.e. delays of buses travelling to and from the mine). In addition, there were two labour-related incidents reported. One of these incidents resulted in a delay of 1-2 hours at the mine entrance for workers reporting for duty.

The terms and conditions of De Beers' private security service provider contracts clearly stipulate that all operations conducted by the service providers on behalf of De Beers will be conducted within the confines of the laws and regulations applicable to the country in which these operations take place. No employee working for the service provider will undertake any activity to prevent loss to De Beers that infringes the human rights set forth in the Universal Declaration of Human rights and international humanitarian law. All staff involved in operations conducted by or on behalf of De Beers are trained on how to prevent human rights abuses and how to protect human rights in their area of work.

Annual training is provided for all in-house security staff and private security contractors deployed at the De Beers' operations. The standardised Anglo American VPs training curriculum has now been rolled out to all operating divisions to ensure consistency and a more credible standard of training across the organisation. The newly developed e-learning training modules were introduced in the beginning of 2017 and will, over time, replace the traditional classroom training.

A total of 406 candidates from Security and other key functions such as Community Relations, Social Performance, Human Resources, Corporate Communications and Supply Chain, as well as public security and members of the community, have completed the training since the programme was launched in June 2016.

Work on improving our broader human rights performance at the De Beers level is coordinated through the Social Performance Council. Similar committees are in place at the various operating units to identify human rights impacts across the business, assess risks and evaluate the effectiveness of the implemented controls.

Kumba Iron Ore

Anglo American's majority-owned Kumba Iron Ore (Kumba) uses in-house security personnel supported by private security companies. Different Kumba mines use different private security service providers according to tender processes that take place every three years. At Kolomela it is currently Stallion Security, at Thabazimbi it is Ikatiseng, at Sishen it is Thorburn and at Kumba's head office it is Vusela Security and Risk Services. All service providers are registered at applicable bodies according to South African law, including the Private Security Industrial Regulating Authority. No public security providers are used even though close cooperation exists in all areas with the South African Police Services (SAPS). A small number of SAPS members attended various VP training interventions at Sishen.

All in-house personnel and contractors receive formal training on Anglo American's Code of Conduct, which includes respect for 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 respective level of risk exposure. Excluding e-learning, a total of 15 onsite classroom training sessions were held in 2017. 571 employees and contractors attended this training in 2017.

Kumba's security departments interact monthly with local SAPS forums and the local municipalities on potential human rights impacts and issues.

Formal complaints and grievance mechanisms with specific categories relating to human rights are in place at all Kumba operations and the corporate office. An online 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 2017.

A Human Rights Impact Assessment (HRIA) was undertaken for Sishen in 2017, with a final report due to be delivered to the mine in early 2018. The VPs training course will be aligned with the HRIA to incorporate the human rights impacts identified in the report.

ZAMBIA

GDG activities in Zambia consist of greenfield exploration projects in three areas of the Northwestern Province. The Zambezi West Project is on the west bank of the Zambezi, in the Zambezi District; the Zambezi Project is on the east bank of the Zambezi District; and the Mwinilunga Project is in the Mwinilunga district. All three projects terminate at, or close to, the Angolan border and the Mwinilunga Project is also adjacent to the DRC border.

In Zambia, Anglo American uses the services of unarmed security to monitor and control the movement of people, goods and equipment in and out of Anglo American's Lusaka country office and the company's exploration base camp in Zambezi District. Unarmed security guards are also used at the new Mwinilunga base camp.

At the Lusaka office, the contract with G4S Secure Solutions Zambia Limited was renewed in 2017, with modifications to the contract to include human rights. 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 undertaken 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 and are reported via observation cards and are managed through the close-out procedure for observations.

At the Zambezi base camp, security guards employed by Scorpion Security were found to be stealing diesel. An investigation showed that Scorpion Security was not paying its employees on time, if at all. The contract with Scorpion Security was cancelled and the contract with G4S was extended to cover Zambezi. Newly placed video security cameras, monitored by the Camp Administrator, provided the evidence for the theft. G4S also provides unarmed security guards for the Mwinilunga base camp.

ZIMBABWE

To promote and implement the VPs, Platinum's Unki mine continuously co-operates with relevant government departments at various levels including national, provincial and district level. Where appropriate, Unki enters into MoUs with government departments.

Due attention is given to contracted private security providers and the Zimbabwe Republic Police who are directly involved in the day to day security of the mine, and also the community leadership surrounding the mine.

The mine has a standing MoU with the Zimbabwe Republic Police which was entered into on the 21 October, 2016. The MoU provides for joint policing activities by Protection Services (PS) and the Zimbabwe Republic Police at the mine. In addition to the MoU, a declaration to observe human rights has been signed by members of the Zimbabwe Republic Police who are assigned to investigate cases on behalf of the mine prior to commencement of such investigations.

Regarding contracted security providers, background checks are done during the selection process.

Quarterly stakeholder engagement meetings chaired by the Social Performance team are conducted. Protection Services is represented by the Protection Services Superintendent. The meetings are also attended by community leadership, government representatives from various ministries, namely, local government, agriculture, education, child welfare, mining and non-governmental organisations. The meetings, among other issues, focus on developmental issues, crime and complaints by the community.

The VPs risk assessment was reviewed in 2017. The VPs are also incorporated in a number of procedures, namely:

- Search Procedure
- Effecting an arrest Procedure
- Manning at the Portal Main Gate Procedure
- Manning of the Stores Area Procedure
- Manning Boom Gates Procedure
- Protection Services Supervision Procedure
- Case Reporting and Investigation Procedure

VPs training is mandatory to PS members and is undertaken once after every two years. No firearms or dogs are used at the mine and contracted security providers are subjected to VPs training before commencement of work at the mine. Refresher VPs training is offered every two years. In between the two years, human rights topics are also discussed during toolbox talks.

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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