

2018 ANNUAL REPORT

VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

INTRODUCTION

Anglo American is a global diversified mining business with a portfolio of world-class competitive mining operations and undeveloped resources. Anglo American is headquartered in the UK and its ordinary shares are listed on the London Stock Exchange (the primary listing), as well as the Johannesburg, Swiss, Botswana and Namibia stock exchanges.

We find, plan and build, mine, process, move and market to our customers a diversified and high-quality range of products, spanning bulk commodities (iron ore, thermal coal, metallurgical coal), base metals and minerals (copper and nickel), and precious metals and minerals (platinum and diamonds).

Reporting and further information

This report covers entities and joint ventures over which Anglo American has management control; as well as the De Beers business in full. The Anglo American, De Beers, Anglo American Platinum and Kumba Iron Ore sustainability reports contain additional information about our commitments and progress on various aspects of human rights. Our sustainability reports are aligned with the requirements of the Global Reporting Initiative (GRI) and independently assured.

Kumba Iron Ore Kolomela Mine.
Loading hauled ore from the
mine into the primary crusher.



A. COMMITMENT TO THE VOLUNTARY PRINCIPLES

1. Commitment, engagement and transparency

Anglo American has a longstanding commitment to human rights that is entrenched in its [Code of Conduct](#) and [Human Rights Policy](#).

The organisation's commitment to the Voluntary Principles on Security and Human Rights (VPs) is expressed in both the Code of Conduct and Human Rights Policy. Anglo American first became a signatory to the VPs in 2005 and reiterates this commitment in its annual Sustainability Report.

The Code of Conduct, Human Rights Policy and commitment to the VPs apply to Anglo American's relationships with employees, contractors and other public and private sector business partners in what they do on the organisation's behalf. In those situations where Anglo American does not have management control, the Human Rights Policy requires that it exercises available leverage to influence compliance with its requirements.

Anglo American produces this report regarding compliance with the VPs on an annual basis. All reports are available on the [Anglo American website](#). Supplementary information is also available in the aforementioned sustainability reports.

2. Raising awareness

Employees, contractors and business partners are made aware of Anglo American's commitment to the VPs via various mechanisms, including references and mandatory requirements in policy documents, training, reports and internal information platforms. Anglo American also promotes the VPs in statements and public speeches by senior executives.

3. Promoting implementation

For nearly 10 years, Anglo American has worked in partnership with International Alert, an NGO with three decades of peace-building and conflict-resolution experience. The partnership, formed originally with the aim of implementing the VPs, has had a significant influence on Anglo American's culture, policies and practices. International Alert has helped build the capacity of employees to integrate the VPs into everyday business practices, providing training to site-level private-security guards, and supporting managers to expand their understanding of human rights and conflict and how they connect to the business.

B. POLICIES, PROCEDURES AND RELATED ACTIVITIES

1. Policies and procedures

Policies: Anglo American policies that are materially relevant to security and human rights include the following:

Code of Conduct and Human Rights Policy

The Code of Conduct details the values and behaviours that are expected of employees, contractors, suppliers and agents acting on Anglo American's behalf. The Human Rights Policy elaborates on specific human rights commitments and expectations. Both documents require that Anglo American maintain the safety and security of operations and staff within an operating framework that encourages respect for human rights via any necessary interactions with both public and private security providers.

Responsible Sourcing Standard

The Responsible Sourcing Standard clarifies Anglo American's expectations of suppliers. It specifies that suppliers must comply with all national statutory and regulatory requirements, including internationally recognised human rights conventions. The Standard references the VPs. Contracts with security providers include specific clauses relating to the VPs.

Procedures: The following procedures guide the effective implementation of the VPs at Anglo American:

Social Way

The Social Way defines the organisation's governing framework for social performance. It sets out clear requirements for all Anglo American managed sites to ensure: that systems are in place to engage with affected and interested stakeholders; avoid, prevent, mitigate and, where appropriate, remediate adverse social impacts; and maximise development opportunities.

As it relates to security and human rights, the Social Way requires all managed operations to: conduct conflict and human rights-related risk and impact assessments; ensure consultation with relevant stakeholders on security and human rights related issues; conduct due diligence on potential public and private security service providers; train private security service providers and, where required, facilitate training with public security service providers; and develop systems for reporting, investigating and addressing any allegation of security-related human rights abuses.

Compliance with Social Way requirements is assessed at all operations annually.

Socio-Economic Assessment Toolbox

The Social Way is supported by the Anglo American Socio-Economic Assessment Toolbox (SEAT). SEAT provides detailed guidance on how to manage social impacts and deliver socio-economic development. Tool 4H on Security and Human Rights provides an overview of steps to implement the VPs and is designed for use in conjunction with the [Implementation Guidance Tool](#) (developed by the International Council on Mining and Metals, the International Committee of the Red Cross, the International Finance Corporation and IPIECA, the global oil & gas industry association for environmental and social issues).

Training

Internal security personnel and private security contractors receive regular VPs training based on a generic Anglo American security and human rights training curriculum that was developed in 2016. Additional training is conducted in collaboration with International Alert. For example, in 2018, 28 South African security and social performance personnel participated in a workshop that included VPs training as well as conflict analysis and management.

Complaints and grievances

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 the [Speak Up whistleblowing service](#).

Some parts of the business implement additional or unique measures to address their specific contexts. 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](#).

2. Risk assessment

Risk assessments at Anglo American are conducted at different organisational levels and through various mechanisms depending on the context.

Social risks, including security and human rights risks, are identified and managed through the 'Social Risk and Impact Management' requirements of the Social Way, which is aligned with IFC Performance Standard 1 – Assessment and Management of Environmental and Social Risks and Impacts. The Social Way requires that Social risks (both to the business, as well as to employees, contractors and external stakeholders) shall be integrated into the site risk management process to consider evolving social dynamics, particularly for vulnerable groups, throughout the lifecycle of the mine.

The Social Way includes specific requirements for human rights risk management and conflict assessment and management. With regards to the latter, the Social Way requires personnel to identify any sources of existing or potential conflict which may be exacerbated by the company's presence and, in conflict prone or affected areas, include specific conflict management measures.

The three main [SEAT tools](#) that address the VPs requirements are:

- Tool 4H – Voluntary Principles on Security and Human Rights
- Tool 3A – Assessment of Issues and Impacts
- Tool 4C – Conflict Assessment and Management
- Tool 4H provides, among others, guidance on human rights records, the rule of law, and equipment transfers.

In addition, 2018, Anglo American contracted Europe Conflict and Security Consulting Ltd (ECAS) to conduct an independent, Group-level human rights due diligence review. The review identified several critical human rights risk areas across business units and the value chain. Security was identified as one of the key risk areas. The findings and recommendations were further discussed during the first face-to-face Anglo American human rights working group meeting, held in July. A key outcome of the workshop was the development of a Human Rights strategy and five-year implementation plan, which includes actions relating to security and human rights.

At De Beers, 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](#) Assurance Programme, and the Responsible Jewellery Council certification programme. 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 detail and may identify further opportunities to improve the way in which the VPs are implemented within De Beers.

C. COUNTRY IMPLEMENTATION

Anglo American business units manage more than 30 mining operations and 10 processing operations in Australia, Botswana, Brazil, Canada, Chile, Namibia, South Africa and Zimbabwe. Exploration activities are conducted in Australia, Brazil, Canada, Chile, Columbia, Ecuador, Finland, Peru, South Africa, the United States (Alaska and Arizona), Argentina and Zambia. Corporate representative, sales and marketing offices are located in China, India and Singapore.

Unless otherwise stated in the forthcoming country implementation reports, pre-employment screening for security employees and private service providers is standard practice. The process can differ between countries, but typically includes the submission of criminal clearance certificates, psychological assessments to ensure individuals have never participated in mercenary work or operated in conflict areas against legitimate governments and checks for complicity in human rights infringements.

AUSTRALIA

The Metallurgical Coal business in Australia operates in a highly regulated environment in which the federal and state governments have enacted several laws that enforce strict adherence to the country's international human rights and security obligations. Anglo American operations there have undertaken due diligence assessments in accordance with the Social Way and identified no VPs-relevant risks or impacts.

BOTSWANA

Anglo American's interests in Botswana are linked to its indirect shareholding in Debswana, a 50% joint venture partnership between De Beers and the Government of the Republic of Botswana. Debswana employs in-house security personnel and contracts private security company, G4S Secure Solutions, 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.

Private company, Security Systems, is contracted to provide access control and guarding services at the main corporate office building in Gaborone. The De Beers Global Sightholder Sales and Diamond Trading Company Botswana offices, also in Gaborone, are protected by in-house security personnel.

Annual training is provided for all security personnel internally and via the De Beers Group Security e-Learning platform. A further 150 candidates consisting of in-house and private security personnel, cross-functional stakeholders, members of the community and the Botswana police department completed the standardised Anglo American VPs training course in 2018.



Australia: Coal,
Capcoal, Global
Safety Day 2018
Achieving P101
Rope shovel.

BRAZIL

Anglo American owns three assets in Brazil – two ferronickel production sites (Barro Alto and Codemin) and Minas-Rio iron ore mine – and has an interest in the Port of Açú. The nickel and iron ore operations were, until recently, managed as separate business units. The consolidation of the two businesses has resulted in a process to combine their security functions and co-ordinate their approach to security and human rights. The latter included combining the two businesses' grievance system, Fale Conosco.

Private company, SegurPro, provides security services to the corporate offices and operations in Brazil. Personnel are unarmed and audited by the Brazilian Federal Police, as is required by Federal law. A clause regarding human rights is included in their contracts and requires annual training on security and human rights.

In 2018, the Iron Ore business updated its existing human rights gap analysis (developed in collaboration with the Danish Institute for Human Rights) with support from International Alert. A subsequent work plan, which had a substantial focus on security and human rights, was implemented throughout the year. It involved security and human rights training for 13 employees from various departments; and 82 individuals from the internal security team, private security companies and the local police department. Members on the Communication and Fale Conosco (the business' grievance system) teams were also trained on more effective human rights communications.

Matters relating to security and human rights are addressed in daily and weekly briefs to the internal and private security teams. Brochures covering themes such as ethical and legal behaviour and vulnerable groups have been distributed to security guards and employees in the corporate security function.

The local police department around the iron ore mine does not have sufficient capacity to deal with complex situations. In such cases, the Police Battalion responsible for the region (located 150 kilometres away) can provide support and reinforcement. Specific risk management processes are in place for major events, such as public hearings.

In 2018, the Nickel operations conducted their first gap analysis on the VPs – also with support from International Alert. A few concerns regarding security issues were identified, including the need to accelerate human rights engagement and training. During the year, 16 employees from various departments and 42 members of the internal and private security teams received VPs training. Additionally, 34 employees from contractor companies participated in a human rights workshop.

Exploration in Brazil

Group Discovery and Geosciences (GDG) activities in Brazil during 2018 involved three separate exploration projects, with central office facilities in Goiânia. The central offices employed private security services for night vigilance.

Security risks were assessed within workplace risk assessment and controls at the start of the projects and office activities. For each project, the GDG team included clauses on compliance with the VPs in its contracts for outsourcing of services and labour.

No grievance or incident related to security and human rights was received in 2018.

A comprehensive stakeholder communication plan was developed for the airborne geophysical survey activities carried out for one of the projects. It included formal meetings with a wide range of stakeholders, including local police commanders. A toll-free number and an email were created to facilitate enquiries about the survey. Formal letters were sent to Brazilian Airspace Military Commands to clarify the range of activities to be performed in the airborne survey area. Team members (employees and contractors) from the projects received training on the communication plan and training related to engaging with stakeholders.

A social specialist from the corporate office visited GDG Brazil operations to evaluate the approach to stakeholder management and compliance with the VPs. The GDG team in Brazil completed online Code of Conduct refresher training that included the VPs during the final quarter of the year.



Barro Alto nickel mine, Brazil

CANADA

De Beers manages three diamond mines in Canada: Gahcho Kué, Snap Lake and Victor. In 2018, a total of 37 protective services and private security staff members completed the standardised Anglo American online VPs training. All third-party service providers are required to be licensed to provide security services and must complete and successfully pass security training covering subjects such as the Canadian Charter of Rights, the Criminal Code of Canada and Use of Force.

Gahcho Kué mine employs predominantly in-house protective services, which are supported by private security officers from Advanced Security.

Protection at the Snap Lake mine, which has been placed under care and maintenance, is provided by outsourced security personnel.

Victor mine is at the end of its life and will complete its mining and processing activities in early 2019. The current in-house protective services personnel will remain in place until the demolition and environmental monitoring phase is completed over the next three to five years. Open communication channels with the local and provincial law enforcement agencies as well as the provincial/territorial government will be maintained during the closure phase.

Blockading of the winter roads leading to the mines remains the highest potential for any VPs-related impacts. There was one blockading incident reported during the period under review at Victor mine during which the Ontario Provincial Police was involved on two occasions, but the issues were resolved peacefully.

CHILE

Anglo American's Copper business manages two mines (Los Bronces and El Soldado) and one processing operation (Chagres) in Chile.

In July, Los Bronces mine changed its security provider to SOMACOR. SOMACOR supervisors working at Los Bronces attended a VPs workshop, facilitated by International Alert, later in the year.

Chagres and El Soldado contracts G4S as the private security provider. G4S Chile is part of the UK-based G4S group and subscribes to the International Code of Conduct for Private Security Providers.

Adherence to the VPs is a contractual requirement for both G4S and SOMACOR.

During 2018, the Copper business's VPs action plan was updated and incorporated into the overall human rights action plan for Chile. This was done to monitor and manage security and human rights matters in a more consistent manner between the operations.

Workshops on business and human rights, presented by a recognised institution on human rights in Chile (Centro Vincular of the Universidad Católica de Valparaíso), were attended by managers from the three operations and Santiago corporate office.

Exploration in Chile

During 2018, all exploration projects in Chile were at an early greenfield stage, without drilling activities or established base camps. There was no requirement for internal or external security forces and no VPs training was conducted.

Anglo American
Copper Pit Operations,
El Soldado, Chile.





COLOMBIA

Activities carried out by GDG in Colombia during 2018 were focused on obtaining the social licence to operate in three main projects: Dabeiba, Urrao and López de Micay. All three locations are considered a high-security risk.

In Dabeiba and Urrao, the GDG Colombia team visited the area without an army escort in order to discuss the project with the indigenous community. The company has always been transparent with communities about its engagement of the army during field work and has explained that Anglo American subscribes to the VPs and promotes VPs training in the army.

In both projects there were minor indications of security risk upon entry, upon which the team decided to withdraw.

In Lopez de Micay, the work consisted of mainly discussions with municipal authorities, community leaders and military commanders. During these meetings the team has been clear about the presence of the army and expressed the necessity of VPs training before any field work.

FINLAND

Current activities in Finland involve only regional exploration. VPs training was not conducted in 2018, nor is it planned for 2019 given the low risk level. No internal or external security forces were engaged in Finland in 2018.

NAMIBIA

Namdeb, De Beers Marine Namibia and the Namibian Diamond Trading Company are wholly-owned subsidiaries of Namdeb Holdings, which is owned in equal shares by the Government of the Republic of Namibia and De Beers.

Namdeb performs land-based prospecting and alluvial mining operations in Namibia's southern coastal regions. Namdeb primarily makes use of in-house security personnel and private security officers supplied by Eagle Night Watch Security and Wynbach Security Services.

De Beers Marine Namibia mines offshore along the southern Atlantic coast of Namibia and operates five diamond mining vessels: Debmar Atlantic, Debmar Pacific, !Gariep, Grand Banks and Mafuta. De Beers Marine Namibia employs in-house security personnel on the mining vessels. TSU Protection Services is contracted to provide anti-piracy training and maritime security consultancy services to De Beers Marine Namibia.

The Namibian Diamond Trading Company is responsible for the sorting, valuation and sale of rough diamonds mined by Namdeb and De Beers Marine Namibia and uses only in-house security personnel in the high-risk diamond areas. The services of Eagle Night Watch Security are commissioned to control access to low risk areas.

There are no public security forces deployed at any of the Namibian operations; the use of public security is limited to product movement escorts.

Formal human rights and VPs training is provided for all in-house and contracted security officials. In 2018, 130 in-house and private security personnel completed the standardised Anglo American VPs training course.

NORTH AMERICA

Activities for GDG North America involved regional exploration within Canada and United States (Alaska and Arizona), as well as a drilling programme in Arizona. Security and human rights risks in North America are very low and no internal or external security forces were engaged during 2018. Nevertheless, in all contracts for services, GDG North America stipulates the requirement for observation and compliance with the VPs. A policy document is appended to all contracts.

PAPUA NEW GUINEA

In 2018, Anglo American withdrew from the Star Mountains Joint Venture partnership and associated project activities. After the project evaluation concluded in late 2017, care and maintenance activities continued throughout the first quarter of 2018. There were no human rights related security incidents.

PERU

Anglo American manages Quellaveco copper project in Peru, which contracts security company, Prosegur S.A (a subsidiary of Prosegur Compañía de Seguridad, S.A., based in Spain).

The security personnel assigned to the project do not use weapons, except for security at the magazine, where the use of weapons is mandatory according to local regulations. Typical services provided by Prosegur involve: control of pedestrian and vehicle access; control of goods inside and outside the project facilities; as well as physical protection of company personnel, facilities and other assets.

In August 2018, the management of Quellaveco's security service was transferred to EPCM (engineering, procurement and construction management) firm, SMI Fluor. Anglo American

has set up a senior security team to supervise compliance with the VPs across the mining project.

The National Police of Peru (NPP) provides additional security support to Quellaveco. The support services are executed under the terms of two formal agreements, in line with Peruvian regulations, and include a specific clause referring to adherence to the VPs. The purpose of the second formal agreement, signed in 2017, was to increase and improve police services in the area of Quellaveco – for the mutual benefit of the communities and the project.

Pursuant to the agreement, the PNP deploys up to three off-duty police personnel (on leave) who voluntarily accept to perform police tasks in the area in accordance with Peruvian legislation.

Anglo American Peru specifically recognises that it has no hierarchical control over the police personnel and does not to interfere with its activities.

Any costs related to the support received by the police under the agreement is paid by Anglo American Peru directly to the PNP, including death or disability insurance on behalf of allocated personnel.

As expressly required by Anglo American, an appendix was added stating that, prior to deployment to site, police personnel shall be informed about Anglo American's adherence to the VPs, as well as other company-specific ethical behaviour guidelines through the Group's Code of Conduct. Anglo American provides training on these guidelines during the induction process.

Given the lack of adequate infrastructure and logistical arrangements in the Quellaveco area, Anglo American provides the PNP personnel with food, lodging and transportation to and from the deployment site. This does not include uniforms, equipment or weapons, which are provided by the PNP.

Quellaveco's Human Rights Management and Performance Committee, with the support of International Alert, evaluated several potential social conflict scenarios – including the participation of the police and the human rights implications – in order to develop preventive measures and/or corrective protocols.

In 2018, 22 social incidents were recorded by Quellaveco, none of which were classified as serious. However, one incident involved five people illegally settling on operational land. This case is being managed by the legal department in close co-ordination with the local community relations team.

Exploration in Peru

GDG's activities in Peru involved regional prospecting and technical visits in diverse areas in both the north and south of Peru. Security and human rights scenarios were considered in both the GDG Peru country baseline and project risk assessments.

SOUTH AFRICA

Anglo American has several operations in South Africa that are managed by its Platinum, Coal, De Beers and Kumba Iron Ore businesses.

Engagement

In promoting the VPs, South African business units engage with various stakeholders regarding their implementation. This includes participation in forums such as: the Mineral Council of South Africa's Standing Committee on Security; the National Coordination Strategic Management Team; Non-Ferrous Metal Crime Combating and Greed Committees; Mine Crime Combating Forums; Provincial Illegal Mining Forums; Provincial Joint Operations Committees; National Operational Committee; Provincial Operational Committees; and the National Joint Operational and Intelligence Structure (where all state security departments are represented).

Participation in these forums provides an opportunity for Anglo American to share its experiences and learn from peers and other sectors.

Anglo American Platinum

Anglo American Platinum (Platinum) operations are located in the North-West and Limpopo provinces of South Africa. The business' conflict risk areas can be broadly categorised as inter-union rivalry, community-mining-related conflict, and public (non-mining) protests.

The risk of inter-union rivalry has subsided to insignificant levels when compared to 2016 and 2017. However, there has been a marked increase in social unrest around Platinum operations. Most of these protests are not related to mining. Rather, they are linked to discontent with low levels of service delivery and high unemployment rates. The business collaborates with state security agencies, municipal public safety and traffic agencies, and road management companies to ensure that its protection services department receives early warning of incidents within the vicinity of its operations. This early warning system allows the business to avoid affected areas.

In some cases, protests are targeted at Platinum mines. An increase in the number and change in nature of such cases has led the business relying more on the South African Police Services (SAPS) for support. Examples include interference with critical infrastructure and the blocking of access routes to some of Platinum's mines. The business addresses incidents of mining-related protest through internal collaboration (between security services, social performance personnel and others) and engagement with government, community leaders and established community task teams. Once it is known that there is planned protest, relevant personnel proactively have engaged

the aggrieved parties to resolve conflict. This approach has served the business well in reaching peaceful solutions.

Platinum's internal Protection Services department consists of 670 permanent employees, which is supplemented by 586 private security contractors. No private security contractors on Platinum operations use security dogs or carry firearms. A 'contractor security induction pack' is used to check compliance with South African legislation and the International Code of Conduct on Private Security Companies.

The Platinum Protection Services team has engaged in an extensive programme to ensure that all relevant personnel are trained using the standard VPs training material. All members of the Protection Service undergo VPs refresher training on an annual basis. In addition, VPs briefing sessions have been conducted with the heads of departments of each Platinum operation to ensure a better understanding of human rights, the VPs and Platinum's approach to managing conflict in line with the VPs. Platinum's in-house training personnel provide training regarding the company's approach to managing unrest or protest action, the use of non-lethal weapons, the use of force during arrest situations, and the searching of persons.

Ongoing reviews of the Platinum Protection Services procedures are undertaken to ensure full incorporation of the VPs.

Platinum does not contract public or state security agencies. Public agencies are only present on premises, as is required by law, when public order is disrupted. Platinum operations have Memorandums of Understanding with the local and provincial SAPS for matters relating to security and human rights.

Coal South Africa

Coal South Africa (SA) operates a number of collieries in the Mpumalanga province of South Africa, where there has been an increase in protest action and unrest.

The role of Coal SA in-house security personnel and private security providers is to protect assets and employees. The South African Police Services (SAPS) is deployed in the event of community and labour unrest (specifically the Public Order Policing Services) or for the investigation of crimes committed within mine premises.

Public security: Coal SA engages in several collaborative forums that seek to address civil unrest, criminality and security in the area. At those forums, the VPs, associated risks, challenges and best practices are discussed, with the aim of preventing human rights infringements. For example, the Coal SA Protection Services team attends various meetings with SAPS cluster commanders for the Witbank, Middleburg and

Secunda regions; and station commissioners of the various police stations within the three respective clusters hold weekly meetings that Coal SA Protection Services managers attend. There are ongoing efforts to enter into a Memorandum of Understanding on security and human rights with the local police service.

Private security: Coal SA contracts Bidvest ProteaCoin as its main private security service provider. All internal and private protection services personnel have received training on VPs. Weekly and monthly meetings are held with private security service providers to discuss routine security matters as well as VPs-related topics, such as the use of force and respect for the fundamental rights of communities.

A Protection Services Forum was recently established to ensure the alignment of policies and procedures between the Coal SA mines and associated service providers.

Managing unrest: There are procedures in place to mitigate the risk of human rights infringements in the event of labour or community unrest. Coal Protection Services has drafted and distributed a 'trigger action response plan' on civil unrests that specifically outlines the role of private security service providers during such incidents. It emphasises that the role of private security service providers is to protect assets and employees and not engage in crowd control activities, which remains the prerogative of the SAPS.

Responses to significant labour or community unrest are planned via a Joint Operation Committee (JOC), which includes internal, private and public protection services. Adherence to the VPs forms a critical part of the JOC planning as it is during any preparation for incidents of unrest.

Despite significant efforts to ensure compliance with the VPs, a highly regrettable incident took place at Goedehoop colliery in July 2018. A crowd of individuals sought to gain illegal entry to the Springbok village, that was under demolition, to scavenge scrap items. In the course of protecting the asset, a member of the private security force discharged his weapon, injuring one person. There was also a subsequent case of assault against a member of the crowd.

Both of the injured individuals have filed criminal cases. Those thought to be responsible have been charged and the matter is under investigation by the police.

An extensive internal investigation has resulted in the dismissal of several private security guards and disciplinary processes for a number of Coal Protection Services employees (some of which are ongoing). The investigation also identified factors that contributed to the event, which are being addressed.

De Beers South Africa

The De Beers Operations in South Africa (Venetia and Voorspoed mines, De Beers Marine, De Beers Sightholder Sales South Africa and Element 6) mainly make use of in-house security personnel and private security officers supplied by G4S Secure Solutions. Venetia mine also makes use of the services of Lesedi Security to protect low-risk assets in the Musina township.

Formal VPs training is provided for all in-house and private security officials via the De Beers Group Security e-Learning platform. In 2018, a further 159 in-house and private security personnel completed the standardised Anglo American VPs training course.

The ongoing training of in-house and privately contracted security officials reduces the risk of human rights related violations and continues to help security personnel to effectively manage conflict situations while respecting human rights, as demonstrated during the recent labour and community unrest at Venetia mine. Notwithstanding the fact that there were five events in the Musina and the surrounding communities, associated with a single social incident that required interventions from the local law enforcement agencies, no security-related human rights complaints were reported through the current complaints and grievance mechanisms.



De Beers Venetia Mine - The Venetia Mine underground project bank area. The Venetia Underground project is currently sinking two vertical shafts to a depth in excess of 1,000 metres, and is on track for production to commence in 2021.

Kumba Iron Ore

Anglo American subsidiary, 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 Thorburn Security; at Sishen it is Revert Security; 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 co-operation exists in all areas with the South African Police Services (SAPS). A number of SAPS members attended various classroom VPs training sessions at Sishen and Kolomela.

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.

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.

The content of VPs training and awareness material is regularly reviewed to ensure that it remains relevant. A total of 4,355 employees registered for the e-learning course and most have completed it. Reports indicating completion of the course are provided to departments at regular intervals to enable them to manage compliance within their areas of responsibility.

In addition to the e-learning, 15 on-site classroom training sessions were held in 2018 to train 1,246 employees (and some members of SAPS) who do not have access to computers or prefer in-person training.

Kumba Iron Ore, Sishen,
G80 internal north mine
pre-shift inspection at
05/-02 rope shovel.



ZAMBIA

Anglo American has greenfield exploration projects in two areas of the Northwestern province of Zambia. Both projects terminate at, or close to, the Angolan border and one is also adjacent to the Democratic Republic of Congo border.

Anglo American Exploration (Zambia) requires the services of unarmed security personnel 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 camps. The safety, health, environment and community specialist for Zambia has participated in VPs training.

Two very minor potential incidents have been reported, but neither resulted in any harm.

ZIMBABWE

Anglo American Platinum manages Unki mine in Zimbabwe. In an effort to promote and uphold the VPs, Unki mine personnel regularly meet with various government departments and, where appropriate, enter into Memorandums of Understanding (MoU) with those departments. The mine has a standing MoU with the Zimbabwe Republic Police, entered into in 2016. The MoU provides for joint policing activities by Unki's protection services and the police at the mine and clarifies expectations regarding security and human rights.

In addition to the MoU, a declaration to observe human rights is always signed by members of the police who are assigned to investigate cases on behalf of the mine, prior to commencement of such investigations.

Unki mine has four contracted security providers: Safeguard, Volsec, Peace and Intersec. Background checks are conducted during the selection process for potential providers and consideration is given only to those companies with a good reputation on human rights.

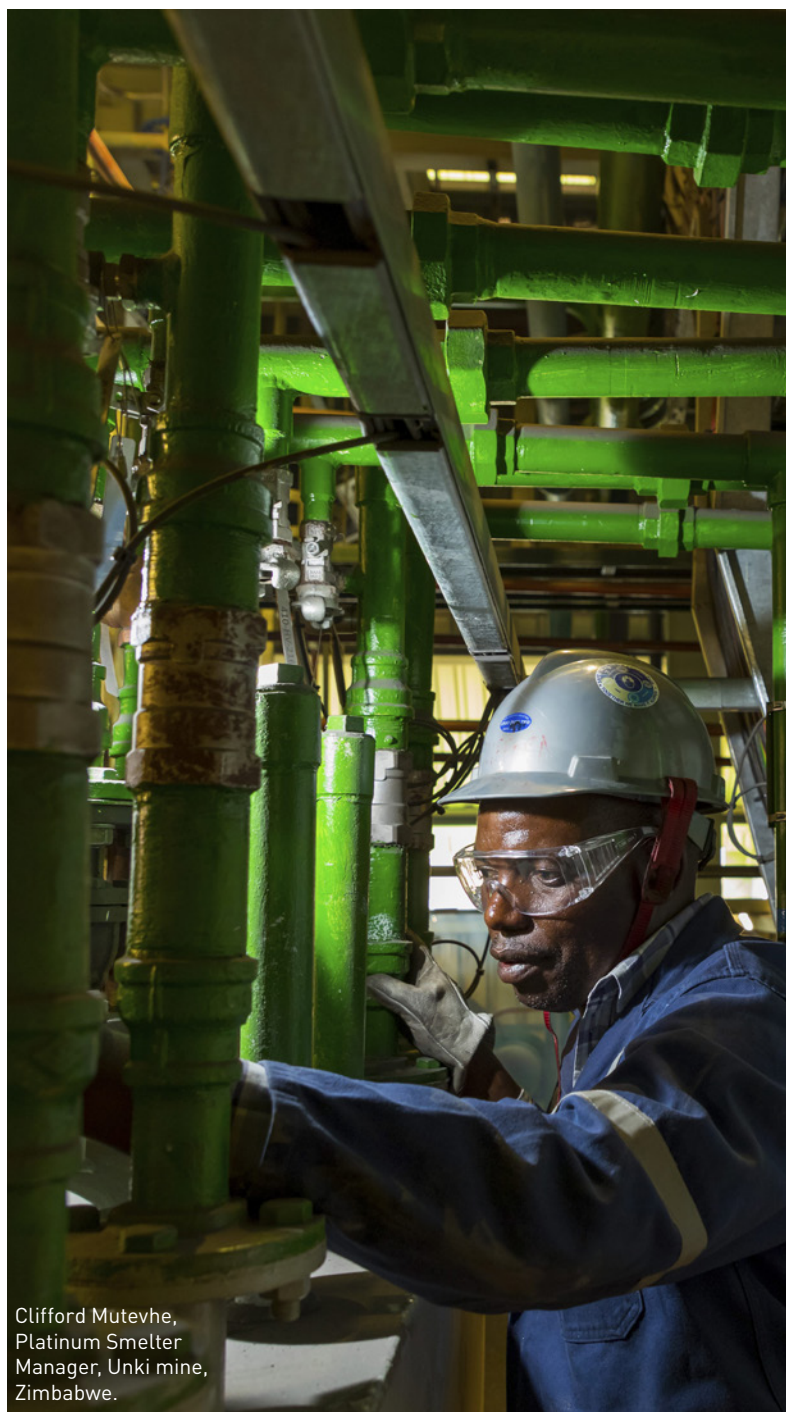
VPs training is mandatory for protection services members and private security personnel. Refresher training is required every two years and supplemented by regular human rights 'toolbox' talks.

Quarterly stakeholder engagement meetings, chaired by the Social Performance department, bring together community leaders, government representatives from various ministries, mining peers and NGOs to discuss matters of importance. The Unki protection services department is represented at those meetings, which also address crime and security.

Unki mine's VPs risk assessment was reviewed in 2018 and updated with new procedures. No firearms or dogs are used at the mine. No security and human rights incidents occurred in 2018.

D. LESSONS AND ISSUES

Lessons and issues from this reporting year, as well as plans or opportunities to advance the Voluntary Principles for the organisation, are integrated into section C of this report.



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