

Update Report

Voluntary Principles on Security and Human Rights 2022



About Anglo American

Anglo American is a leading global mining company, with a world class portfolio of mining and processing operations and undeveloped resources, providing tailored materials solutions for our customers, with more than 105,000 people working for us around the world.

We provide many of the essential metals and minerals that are fundamental to the transition to a low carbon economy and enabling a cleaner, greener, more sustainable world, as well as meeting the growing consumer-driven demands of the world's developed and maturing economies. And we do so in a way that not only generates sustainable returns for our shareholders, but that also strives to make a real and lasting positive contribution to society as a whole.

Guided by our Purpose, our strategy is to secure, develop and operate a portfolio of high quality and long life mineral assets from which we will deliver leading shareholder returns. We achieve this through innovative practices and technologies – in the hands of our world class people.





Portfolio

The quality and long life of our mineral assets are the foundations of our global business. We actively manage our asset portfolio to improve its overall competitive position, focused on future-enabling metals and minerals that are essential to decarbonise energy and transport and that support a growing global consumer population.



Innovation

Across every aspect of our business, we are thinking innovatively to ensure the safety of our people, to enhance the sustainability of our business, and to deliver enduring value in its many forms for all our stakeholders.



People

Our people are critical to all that we do. The partnerships we build, both within Anglo American and with our stakeholders – local and globally – are central to maintaining our regulatory and social licences to operate our commercial success.

Further details can be found on the [Anglo American website](#).



Purpose of report

This report provides an update on our efforts to implement or assist in the implementation of the Voluntary Principles on Security and Human Rights (VPs), a set of principles that guides companies on how to conduct their security operations while respecting human rights.

Summary

In 2022, with Covid-19 restrictions lifted, human rights and security training resumed, as did in-person efforts to engage and manage relationships with stakeholders.

However, our businesses continued to navigate challenges related to recovery from the pandemic in a number of locations where we are present. Many of our operations have invested significant time and effort to re-build and strengthen stakeholder engagement mechanisms that had lapsed or weakened as a result of Covid-19 restrictions. Some of our businesses also continue to confront challenges relating to heightened expectations from communities under pressure from slow economic growth and low wages following the pandemic.

Despite these challenges, we continued to transition to our updated Social Way 3.0 management system, with levels of implementation improving significantly across the Group as compared with our 2021 performance.

Within the section on Security Management and the Voluntary Principles on Security and Human Rights, the strongest performing area relates to site relationships with private security providers, and the vast majority of sites demonstrated that they have conducted private sector due diligence. In the past year, several sites have shown a deeper understanding of security-related human rights impacts and risks, and also an improved interaction between Anglo American personnel and regional security forces in the context of social performance and human rights.

The potential for conflict, with associated implications for VPs risk and impact assessments, appears to be increasing at two sites in South Africa, but there are opportunities to strengthen proactive context review and formal risk and impact assessment processes at these sites. We have also identified opportunities for improvement at a number of sites in monitoring and evaluation of controls arising from VPs risk and impact assessments.

A total of **6,896** employees, contractors and members of police services participated in our 2022 security and human rights training courses. Across Anglo American, there were no significant security and human rights incidents in 2022.

Country	No. of personnel trained
Australia	0
Botswana	122
Brazil	155
Canada	48
Chile	112
Namibia	280
Peru	292
South Africa and Zimbabwe	5,692
Exploration	195
Total	6,896

Policies, procedures and related activities

Anglo American's commitment to human rights is expressed in the Group Code of Conduct. Our Human Rights Policy offers additional information about our commitment and expectations, and is aligned with both the UN Guiding Principles on Business and Human Rights and the VPs.

Our commitment to the VPs is embedded in various additional policy documents and systems, including our:

- Group Security Policy
- Social Way Management System
- Responsible Sourcing Standard for Suppliers.

In 2022, we augmented our policies, procedures and related activities as follows:

- **We developed two additional security standards: Security Management; and Use of Force and Firearms.** These mandate the observance of the principles of security and human rights, and set out strict controls on the use of force and firearms at our sites. These two standards have enhanced our approach to site security and provide greater clarity on expectations at our sites.
- **We finalised our Marketing Responsible Commodity Sourcing Policy.** This Policy sets an expectation that counterparties must implement appropriate mechanisms to evaluate and address supply chain-related risks for metals and minerals they supply to Marketing, including as regards any direct or indirect support to non-state armed groups and/or public and private security forces acting illegally.

Anglo American operations are assessed against the VPs requirements set out in the Social Way through an annual, third-party assurance process.

The Social Way is a management system framework for social performance at asset level and is a critical foundation for our business and our Sustainable Mining Plan. 2022 was our third year of transition to the updated Social Way 3.0 and was the target date for full implementation across the operations. In 2022, eight sites achieved full implementation of section 4E on Security Management and the Voluntary Principles on Security and Human Rights, exhibiting significant improvements in comparison with 2021.

Some parts of our business implement additional policies in light of their specific contexts. De Beers, for example, has its own [Security Services and Human Rights Policy](#).

Security management

Our Group Security function helps to ensure the security of people, operations and assets through the best use of technology and intelligence to enable delivery of the business strategy. This function was established in 2020 to co-ordinate and enhance our security approach and ensure that it meets best practice. Our Group Head of Security reports to the Group General Counsel and Company Secretary, who is a member of the Anglo American Group Management Committee.

The Group Security strategy is built on four distinct security pillars:

- Security of people
- Security of operations
- Asset protection
- Security risk assurance.

One of Group Security function's objectives is for Anglo American is to be a leader in security practice. It's approach is to operate in accordance with both international standards and the laws of the countries where we operate, and to be technology-enabled, intelligence-led and fully compliant with the VPs.

Our Group Security Committee comprises security representatives from each business unit and key internal stakeholders. The purpose of the Committee is to share security intelligence and drive excellence and standardisation in our approach to security management throughout Anglo American.



Country implementation

Overview of operations

Anglo American's business units manage more than 30 mining operations and 10 processing operations globally, including in Australia, Brazil, Canada, Chile, Peru and South Africa. Anglo American has non-managed joint operations, including in Botswana, Namibia, and South Africa also in Chile, and engages in exploration activities in many countries around the world.

All operations routinely provide VPs training to private and public security personnel, as well as other employees. Detailed information on training activities by operation is not included in this update report, although the number of individuals trained is reported on page 3.



Angola

Exploration in Angola

In 2022, exploration activities were carried out in Angola following a comprehensive risk assessment that was completed in 2021 and covered security and human rights risks. Relevant members of the workforce undertook Code of Conduct training that covers the VPs.

Australia

In Australia, Anglo American's Steelmaking Coal business includes five mines in Queensland's Bowen Basin. The company operates in a highly regulated and low-risk environment from a security and human rights perspective. A security and human rights risk assessment that was conducted in 2022 identified no material findings and all security management controls were assessed as being effective. A new security provider was appointed by the Steelmaking Coal business in 2022 following verification that the company only employs trained and licensed security staff.

Botswana

Anglo American's interests in Botswana are linked to its indirect shareholding in Debswana, a 50% joint venture between De Beers and the Government of the Republic of Botswana.

Jwaneng mine conducted a VPs risk assessment in 2022, which did not identify any material security and human rights issues. The operation continued to engage regularly with law enforcement agencies and private security providers on the VPs, as well as with relevant communities.

Diamond Trading Company Botswana (DTCB) is a licensed precious stones dealer. It conducted a security and human rights risk assessment in 2022. The most material finding related to the opportunity to make some improvements in our approach to conducting security searches on members of the LGBTI+ community. In response, the DTCB is assessing the feasibility of taking steps to address this issue and raising awareness through its Inclusion and Diversity Committee.

De Beers Global Sightholder Sales (DBGSS) works in partnership with the DTCB. It conducted a security and human rights risk assessment in 2022.

It found there were no appropriate search facilities for LGBTI+ people, and that there was an opportunity to review policies and procedures for conducting personal searches of members of certain religious and cultural communities (for example, individuals who cover their heads).

Orapa, Letlhakane and Damtshaa Mines (OLDM) conducted a security and human rights risk assessment in 2022. The findings showed that changes in access controls to the site had a negative impact on some community members' travel routes. OLDM engaged with those communities to agree an alternative route in order to reduce their travel distance.

Brazil

In Brazil, Anglo American manages two nickel mines: Barro Alto and Codemin; one iron-ore mine: Minas-Rio; and one nickel processing plant: Niquelândia.

During the year, a corporate security baseline risk assessment was developed for both the Minas-Rio and nickel operations, and a risk review was carried out to define the controls. Risks related to the illegal use of company land for mining were identified and are being managed. We have also implemented a project to include commitments to the VPs in contracts with private security providers.

Exploration in Brazil

In 2022, exploration activities were conducted in Brazil. Security improvements were carried out at our main office in Goiânia during the year, including installation of a digital surveillance and alarm system and the introduction of unarmed guards in place of armed surveillance. Other minor opportunities for improvement will continue to be implemented in 2023.

Canada

In Canada, De Beers manages three diamond mines: Gahcho Kué, Snap Lake and Victor. Gahcho Kué is a joint venture between De Beers (51%) and Mountain Province Diamonds Inc. (49%) and is currently the only operating De Beers mine in Canada. The Snap Lake mine is under care and maintenance and the Victor mine is now in the closure phase, with closure expected to be completed in 2024.

De Beers conducted an annual VPs risk and impact assessment in 2022. Following the assessment, De Beers will roll out training on how to support those who may suffer from mental health issues for all security employees.

Chile

In Chile, Anglo American manages two copper mines, Los Bronces and El Soldado, and one copper smelter, Chagres. It also has a 44% interest in Collahuasi, a non-managed, joint operation.

A human rights due diligence and security services study was completed at the three sites in November 2022. The study did not identify human rights impacts resulting from the business's security services. However, it did identify aspects of the social and political context that could in future result in risks to the safety of the company's facilities and personnel. The study identified a need to continue to consider human rights and security issues. The business is currently considering any risk-mitigation actions that may be needed and is developing a social management plan. Access to drinking water is an ongoing source of actual or potential conflict across all three sites and, in particular, El Soldado; the issue is being monitored continually.

Ecuador

Exploration in Ecuador

In 2022, exploration activities were conducted in Ecuador. Our exploration base camp was staffed with security personnel, who received VPs training. Monitoring of security protocols was performed frequently, and local security intelligence was obtained from local and regional public security forces, the police and the military.

Namibia

Namdeb, De Beers Marine Namibia and the Namibian Diamond Trading Company (NDTC) are wholly owned subsidiaries of Namdeb Holdings (Proprietary) Limited, a 50% non-managed joint venture between De Beers and the Government of the Republic of Namibia.

Namdeb and the NDTC review their VP risk assessment annually to ensure that mitigation steps remain relevant. In 2017, De Beers Marine Namibia also conducted a VPs risk and impact assessment. The next risk assessment is planned for 2023.

Peru

Anglo American manages one copper mine in Peru: Quellaveco.

A human rights due diligence was completed in 2020, and security and human rights risks were most recently reviewed in 2022. Actions were identified to address any non-compliance with human rights policies. The site has also updated its security and human rights training manual, although political instability disrupted the final stages of its training programme.

In 2022, Quellaveco collaborated with several organisations on security and human rights issues, including: the Human Rights Committee of the SNMPE (the National Chamber of Mines, Petroleum and Energy); the National Committee on Business and Human Rights of CONFIEP (the National Confederation of Private Business Institutions); and a Business and Human Rights, Voluntary Principles and Guiding Principles Working Group, where representatives of government, business and academia meet informally to promote the VPs.

Exploration in Peru

In 2022, exploration activity was carried out in Peru, with helicopter support. After conducting a workplace risk assessment, the need for private security at the local heliport was confirmed and private security forces used for the duration of the project. Relevant Anglo American personnel and contractors, including the private security workers, completed VPs training.



South Africa and Zimbabwe

Anglo American has several operations in South Africa that are managed by its Platinum Group Metals (PGMs), De Beers and Kumba Iron Ore businesses.

PGMs

In South Africa, our PGMs business unit operates five mines: Mogalakwena, Dishaba, Tumela, Twickenham and Mototolo; three smelters: Polokwane, Mortimer and Waterval; and two refineries: the Precious Metals Refinery and Rustenburg Base Metals Refinery. PGMs also has a single operation in Zimbabwe.

During 2022, the business unit reviewed all its operational risk and impact assessments. These reviews found that our PGMs business continued to face significant challenges following the Covid-19 pandemic, which had intensified as a result of slow economic recovery. High levels of unemployment, reduced household incomes and extensive disruptions increased expectations amongst host communities and resulted in many PGM operations remaining a target of community protests, which increased in frequency and intensity. We implemented more robust preventative and reactive measures, resulting in a decrease in the level of violence during protests, as well as in the number of physical and armed attacks on employees, contractors and company infrastructure.

In response to our 2021 risk assessments, which had found that the level of violence at our operations was placing security personnel, other employees and assets at risk, we deployed specialist armed contract security. This decision was reviewed in 2022 and we have decided instead to focus on strengthening our in-house response unit.

In 2022, we also placed considerable emphasis on rebuilding engagement structures and protocols that were adversely affected by Covid-19 related restrictions.



Kumba Iron Ore

Kumba Iron Ore operates two iron ore mines in the Northern Cape of South Africa: Sishen and Kolomela.

Kumba conducted a VPs risk and impact assessment focused on VPs training in 2022. A small percentage of security staff and contractors were identified as needing refresher training, which has been conducted. Local communities have also been invited to participate in VPs training courses – attendance levels remain low but the business continues its efforts to involve them in these training opportunities.

De Beers South Africa

De Beers' operations in South Africa include Venetia Mine, Voorspoed Mine (in closure phase), Namaqualand Mine (under care and maintenance), De Beers Group Services, De Beers Marine South Africa, De Beers Sightholder Sales South Africa, and Kimberley.

Various risk and impact assessments have been conducted in relation to De Beers' operations in South Africa, with actions taken to address identified risks and impacts. For example, in 2022, De Beers conducted a VPs risk and impact assessment of Venetia, identifying potential risks relating to public and private security responses to protests and strikes. Control measures were identified and documented for implementation.

Exploration in South Africa

In 2022, exploration activities were conducted in the Limpopo Province of South Africa. Private security personnel were employed at all exploration locations. Social and human rights impact and risk assessments were completed.

Lessons and issues

In 2022, we made good progress on standardising our approach to security management and integrating VPs throughout that standardisation process.

However, the results of the Social Way VPs assessments point to the need for more effective monitoring and evaluation of security risk mitigation controls. Targeted capacity and capability building support will be provided to sites in 2023, and we will also focus on peer learning to enable lessons learned from sites that have fully implemented Social Way 3.0 to be shared between business units. Furthermore, building skills for effective conflict prevention and management will receive additional focus in geographies affected by social, economic and political instability.



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