

AngloGold Ashanti

Report to the plenary session of the Voluntary Principles on Security and Human Rights

2013

AngloGold Ashanti has subscribed to the Voluntary Principles on Security and Human Rights since 2007 – a set of non-binding principles developed in 2000 to address the issue of balancing safety and security needs against respect for human rights and fundamental freedoms. The Voluntary Principles address a critical gap for companies seeking guidance on managing their potential exposure to inappropriate security and human rights practices, especially in countries that are associated with conflict and high potential for human rights abuses. The Voluntary Principles also provide guidance for companies on identifying human rights and security risks, and engaging and collaborating with state and private security forces. The Principles were developed through multi-stakeholder participation between governments, extractive industry members and non-governmental organisations (NGOs).

A. Commitment

1. Statement of commitment or endorsement of the Voluntary Principles

We seek alignment of our policies and practices with the **United Nations Guiding Principles for Business and Human Rights** (UN Guiding Principles,) as adopted by the United Nations Human Rights Council in June 2011. This formally commits us to complying with applicable laws and respecting internationally recognised human rights, even when national laws or their application fall short of protecting these rights.

In its management of security and in terms of its recognition of human rights, AngloGold Ashanti is committed to implementing the Voluntary Principles on Security and Human Rights. It applies the Principles to the management of those functions at all its operations.

In making decisions on, and addressing, any human rights, security and community issues, the company takes an interdisciplinary approach. The Voluntary Principles underpin the company's security management practices.

B. Policies, Procedures and Related Activities

2. Relevant policies, procedures, and/or guidelines to implement the Voluntary Principles

We aim to foster sustainable development in host communities, as a way of working towards the value of leaving communities better off for us being there. We encourage meaningful and effective community engagement throughout the life cycle of a mining operation.

We further recognise that good community relationships built on trust and where we do no harm, will have a positive impact on security and that both the complex challenges associated with illegal and artisanal mining, resulting in increased intrusions onto our operational areas, has the potential to increase the number and severity of security incidents. Effective strategies for community

engagement and local economic development to create alternative livelihoods are essential in addressing human rights and security issues, and their causes.

Community and security related matters are addressed at board level by the Social, Ethics and Transformation Committee. The committee's ambit covers oversight of AngloGold Ashanti's compliance with its commitment in terms of the Voluntary Principles. At a corporate level the Sustainable Development team develops company policy in respect of community-related issues, in addition to offering guidance and establishing procedures to foster operational conformity with the group's values, business principles and policies. Various operational plans, including stakeholder engagement plans and integrated development plans, and mechanisms for the reporting and resolving of complaints and grievances, form the backbone of community engagement efforts.

In addition, the company's security framework and associated standards provide the base for measuring compliance for the VP's implementation progress, as the VP's is a key process of the security framework of which compliance is assessed annually.

AngloGold Ashanti further acknowledges that our licence to operate means that we need to demonstrate that we have extracted gold in a manner that does not fuel conflict. We take this responsibility seriously and as such have adopted the World Gold Council's Conflict-Free Gold Standard (the Standard) and a conformance assessment was conducted by internal and external auditors in 2013. The result of the assessment was positive and addressing the minor gaps identified, will contribute to enhancing our compliance with the intent of the VP's.

In addition, we also support the VP's Voluntary KPI initiative and self-assessments were conducted at all our operations to gauge compliance. We found this a useful exercise, as gaps have been identified and are being actioned which will only strengthen our compliance to the VP's. We aim to incorporate the KPI's into our security framework assessments in 2014.

We also engage public security and civil society to assist in our implementation efforts, to ensure that our security management practices are consistent with the intent of the Voluntary Principles. A review of our Voluntary Principles training for security service providers was conducted in 2013, to ensure alignment to and complementing our company Human Rights Policy.

3. Company procedure to conduct security and human rights risk assessments

To ensure the appropriate level of protection for AngloGold Ashanti's people and assets, the company uses its own security employees as well as outside providers of private and public security services. At the same time it strives to manage security in such a way that the human rights of individuals and communities affected by the company's activities are safeguarded.

In all countries in which AngloGold Ashanti operates, threat and risk assessments are conducted to determine which security resources are required. In Colombia, Mali, Tanzania, Ghana, the Democratic Republic of Congo (DRC) and Guinea, risk assessments categorise threats as high and require the involvement of state police and/or military units (public security forces) on a near-permanent basis.

In addition, almost all the group's operations incorporate private security forces. As with public security, the decision to use private security is made after formal risk and threat assessments. These assessments help determine the correct number and composition of security personnel as well as

their roles, and whether or not they should carry arms. Carrying firearms is only permitted when risk assessment determines that it is entirely justified and that it complies with national legislation.

4. Company procedure or mechanism to report security-related incidents with human rights implications by public/private security forces relating to the company's activities

The use of a standardised reporting procedure was adopted in 2010 in order to report on any potential violations of the Voluntary Principles. A web-based system has been developed and implemented for reporting events, allegations and incidents. This has not only enhanced the integrity and archiving of data relating to the Principles, but has also raised awareness of AngloGold Ashanti's compliance requirements, as the system is treated as a learning tool for stakeholders across the company's operations worldwide.

A summary of the security incidents that occurred during 2012 and 2013 can be found in Section C.9 of this report. The company's reporting on the Voluntary Principles provides further details with respect to four categories:

- significant incidents resulting in third-party deaths/injuries and involving interventions by security personnel
- significant incidents resulting in third-party deaths/injuries but without the intervention of security personnel;
- significant incidents resulting in the deaths of, or injuries to, AngloGold Ashanti staff;
- incidents of community unrest/protests

5. Company procedure to consider the Voluntary Principles when entering into relations with private/public security providers

As reported in (3) above, security considerations in a number of countries necessitate reliance on special support from private and public security services.

AngloGold Ashanti seeks to ensure that all private/public security personnel are trained in, and are familiar with, the provisions of the Voluntary Principles and specific stipulations regarding their obligations with respect to compliance are being written into contracts and memorandums of understanding (MoUs). In line with the company's commitment to these Principles, rules of engagement and the use of minimum force are advocated at all times. Alleged violations committed by private and public security providers are dealt with in accordance with AngloGold Ashanti's own investigative procedures and the applicable national legislation.

6. Company procedure or mechanism to address security-related incidents with human rights implications by public/private security forces relating to the company's activities

Any security incident at any of AngloGold Ashanti's sites is reported and investigated, and appropriate remedial action taken. A multi-disciplinary approach is used to investigate and manage incidents and more importantly identify causes and appropriate remedial action. Incidents involving public security are prioritised to ensure engagement at appropriate levels, in an effort to ensure due process. The company maintains records of all incidents.

Details on incidents which occurred in 2013 are provided in the Annexure.

7. Examples of promoting awareness of the Voluntary Principles throughout the organisation or government

In addition to our Security Framework audits and assessments, which include the VP's compliance assessments, the introduction of the VP's KPI's checklist has enhanced visibility of our obligations and compliance requirements.

We have also piloted a Human Rights ambassador program, driven through the VP's at our operation in Tanzania, where Human Rights and VP's training is now extended to non-security employees, contractors, visitors etc. This project has had a positive impact and will be rolled out across our portfolio.

The group continues to participate in in-country initiatives to engage home and host governments, most notably in Ghana, Tanzania, DRC, Colombia and South Africa, with a view to implementing the Voluntary Principles in the respective countries.

8. Examples of promoting and advancing implementation of the Voluntary Principles internationally

AngloGold Ashanti is open about its commitment to advancing the Voluntary Principles, and, when appropriate, uses its involvement in international forums, such as the Responsible Jewellery Council, the International Council on Mining and Metals and the United Nations Global Compact , to promote the Principles. The company's Voluntary Principles Report is published on its website: www.anglogoldashanti.com

C. Country Implementation

9. Overview of country operations selected for reporting

In this section, AngloGold Ashanti reports on community and security-related incidents at all of its operations and exploration sites across the globe. Data is reported for the calendar year ended 31 December 2013, with data for the same period in 2012 supplied for comparative purposes.

Table 1: Fatalities and injuries, as a result of interventions by security personnel, at AngloGold Ashanti operations in 2013.

Incident Region/ operation/ exploration site	2013				2012			
	Community members		AngloGold Ashanti security personnel		Community members		AngloGold Ashanti security personnel	
	Fatalities	Injuries	Fatalities	Injuries	Fatalities	Injuries	Fatalities	Injuries
South Africa Region	–	1	–	7	–	1*	–	1
Sigiri	–	–	–	1	–	–	–	1
Mali	1*	–	–	–	–	–	–	–
Obuasi	1*	1* 4	–	10	–	–	–	22
Iduapriem	–	–	–	1	–	–	–	–
Geita	–	1* 20	–	32	2*	9 5*	–	26
Colombia	–	–	–	–	–	1	–	–
DRC - Mongbwalu	–	–	–	–	–	–	–	1
Total	2	27	–	51	2	16	–	51

* Incidents involving discharge of firearms.

Table 2: Summary of fatalities among and injuries to third parties involved in illegal activities at AngloGold Ashanti operations/exploration sites in 2013, not as a result of security intervention.

Incident Operation/ exploration site	2013		2012	
	Fatalities	Injuries	Fatalities	Injuries
Obuasi	1 (illegal mining)	–	7 (illegal mining)	7 (illegal mining)
Geita	15 (illegal mining)	56 (illegal mining)	12 (illegal mining)	10 (illegal mining)
Total	16	56	19	17
DRC (exploration site – incidents reported occurred on the company's concession area)	19* (artisanal miners)	–	21* (artisanal miners)	–
Total (including DRC)	35	56	40	17

* Since 2010 AngloGold Ashanti has been seeking greater involvement from communities in addressing the issue of artisanal and small/scale mining (ASM). The initiative has two goals: the one is to encourage the reporting of ASM fatalities and the other is to raise awareness and to educate people about the dangers of ASM activity.

Table 3: Summary of community protest actions at AngloGold Ashanti operations, during 2013.

Operation/exploration site	Number of protest actions	
	2013	2012
Obuasi	1	2
Iduapriem	1	–
Sigiri	1	–
Geita	–	1
Cerro Vanguardia	2	2
Total	5	5

Note: Numerous public community protests also took place in Colombia in 2013, specifically in opposition to our exploration activities around the La Colosa project in Cajamarca. The issues are being addressed through continued engagement with all relevant stakeholders to find an acceptable resolution.

10. Engagements with stakeholders on country implementation

AngloGold Ashanti engages extensively with a variety of stakeholders – social and business partners that have an interest in, or are affected by, the company's activities. During 2013, a revision of our stakeholder engagement strategies, specifically with public security, has had a positive impact, most notably Tanzania and Obuasi where focussed efforts (projects) are starting to have a positive impact, substantiated by a significant decrease in our potential human rights incidents and actual allegations. In South Africa, engagement with the Police has improved with the establishment of several forums involving the Chamber of Mines, Industry and the Police, to ensure interaction and collective effort to proactively address stability issues.

In Colombia, we engaged with Pax Christi, Search for Common Ground and the Colombian government, to conduct a joint risk assessment at our La Colosa project. This has been a valuable exercise, as several gaps were highlighted and recommendations made, which has prompted the development of an action plan to address the deficiencies in 2014, to further enhance our implementation of the VP's.

The government relations function continues to focus on public policy strategy as it affects the business.

11. Voluntary Principles considerations in the selection of private security providers and formulation of contractual agreement with private security providers, as well as arrangements with public security forces

As reported above, AngloGold Ashanti frequently relies on governments or government agencies to provide security at its operations. All contractual agreements and MoUs with private and public security service providers must include references to the company's commitment to and obligations to the Voluntary Principles and must spell out what AngloGold Ashanti expects from its private and public security providers.

All third-party suppliers are trained in the company's values, policies and procedures concerning human rights and the Voluntary Principles, while government security personnel are briefed on the Principles before deployment.

A periodic review of all contracts with private and public security agencies at operations/exploration sites is conducted, with the aim of ensuring compliance and standardising contract requirements.

12. Examples of supporting outreach, education, and/or training of (i) relevant personnel, (ii) private security, (iii) public security, and/or (iv) civil society (e.g. local NGOs, community groups)

The training of security personnel over the last couple of years had a positive effect on our capability to respond to conflict situations in an appropriate manner. As mentioned earlier in the report, a detailed review of training was done and piloted, to be rolled out across our portfolio.

We have also continued to support outreach efforts in countries where we operate and are a proud advocate of the VP's to our industry peers who are not part of the initiative.

13. Company procedure to review progress on implementing the Voluntary Principles at local facilities

A corporate review panel guides the implementation of AngloGold Ashanti's incident reporting and management standards, which includes all high, major and extreme risk rated incidents in the Environment, Community and Security disciplines. The panel is proving its worth by identifying additional remedial actions and discussing their implementation with regional and operational colleagues.

Our VP's compliance is also included in our company wide combined assurance review process, facilitated by the Group Internal Audit department.

D. Lessons and Issues

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

In 2013, increased intrusions onto our tenement and operational areas, has resulted in a marked increase in general crime statistics, specifically illegal mining related activities. Despite this negative trend, the ongoing efforts in implementing the security plan ("community enhanced security" - which in summary involves removing people from risk, reducing potential for conflict, interaction with public security and communities) across the global portfolio and more focused stakeholder engagement has yielded very positive results. To substantiate this, despite the increase in illegal activity and confrontation in 2013, a significant decrease in VP's related incidents occurred. This is mainly attributable to significant improvements at Geita Mine in Tanzania and Obuasi Mine in Ghana, in executing their revised security plans.

Annexure

Summary of significant security incidents in 2013

In 2013 several incidents occurred in which force was used by AngloGold Ashanti security staff, contracted private security services or public security services. Details are provided below. Minimum force is advocated at AngloGold Ashanti's operations and exploration sites at all times, in line with the company's commitment to the Voluntary Principles.

Date	Location	Persons involved	Detail
Incidents involving intervention by security personnel which resulted in deaths or injuries to members of the public on AngloGold Ashanti concession areas.			
Community Fatalities due to security interventions _2013			
2013	Yatela Mine, Mali	Security and intruders	1 x Community Fatality – a community member, who intruded and gained access to a workshop on the mine to steal diesel, was apprehended by a gendarme and when trying to escape arrest, was fatally wounded by a gunshot fired by the gendarme.
2013	Obuasi Mine, Ghana	Security and intruders	1 x Community Fatality – a community member who attempted to steal company equipment was fatally wounded, the reaction team reacted to an alarm and upon arrival, when trying to apprehend the suspect, the suspect aggressively retaliated by attacking a military officer. During the confrontation the military officer discharged his firearm, fatally wounding the suspect.
Community Injuries due to security interventions _2013			
2013	Obuasi Mine, Ghana	Security and illegal miners	5 x Community Injuries – community members were injured in 3 separate incidents while attempting to escape arrest.
2013	Geita Mine, Tanzania	Security and intruders	21 x Community Injuries – community members were injured in twenty separate incidents while attempting to escape arrest.
2013	West Wits, South Africa	Security and intruders	1 x Community Injury – a community member sustained minor injuries whilst resisting arrest.

AGA Staff Injuries due to security interventions _2013			
2013	South Africa Region	Security and intruders	7 x AGA Staff Injuries - Security staff members sustained injuries when attacked by intruders / criminals whilst performing duties in 4 separate incidents.
2013	Siguiri Mine, Guinea	Security and intruders	1 x AGA Staff Injury - Security staff member sustained injury when attacked by intruders / criminals whilst performing duty.
2013	Obuasi Mine, Ghana	Security and intruders	10 x AGA Staff Injuries - Security staff members were injured in 7 separate incidents, when attacked by intruders / criminals, whilst performing their duties.
2013	Geita Mine, Tanzania	Security and intruders	32 x AGA Staff Injuries - Security staff members were injured in 25 separate incidents, when attacked by intruders / criminals, whilst performing their duties.
2013	Iduapriem Mine, Ghana	Security and intruders	1 x AGA Staff Injury - Security staff member sustained injuries when attacked by intruders / criminals whilst performing duties.

<p style="text-align: center;">Incidents, occurring on AngloGold Ashanti concession areas that resulted in deaths or injuries to members of the public, in which there was no intervention by security personnel.</p>			
Third Party Fatalities – Illegal Activity _ 2013_ No security intervention			
2013	Geita Mine, Tanzania	Artisanal/illegal miners	15 x Fatalities – community members were fatally injured in 13 separate incidents whilst busy with illegal mining activity.
2013	Obuasi Mine, Ghana	Artisanal/illegal miners	1 x Fatality – An allegation was recorded which alleges that a Police Officer gave two warning shots to scare violent intruders who entered a section of the plant. Later it was reported that a dead body was received at Obuasi Government Hospital with gunshot wounds. It is alleged that the person was hit by a stray bullet from the Police Officer's firearm. Investigation continues.
Third Party Injuries – Illegal Activities _ 2013_ No security intervention			
2013	Geita Mine, Tanzania	Artisanal/illegal miners	56 x Injuries – community members were injured in fifty one separate incidents while busy with illegal mining activities.

Community unrest /protest incidents			
2013	Cerro Vanguardia , Argentina	Contractors	Two separate protests were reported at Cerro Vanguardia mine, where disgruntled workers tried to block access leading to the mine premises, due to labour related disputes. In both cases the situation was normalised after dialogue, without significant incidents.
2013	Obuasi mine, Ghana	Illegal miners & community members	A protest was reported at Obuasi mine where community members and illegal miners blocked certain mine entrances, burned a security kiosk and damaged one of Obuasi's anti-riot vehicles, to protest against electricity outages in the community.
2013	Iduapriem mine, Ghana	Private Security / Contractors	A protest was reported at Iduapriem mine where Community Task Force guards blocked Ajopa Saddle, disrupting free flow of traffic to and from Ajopa Pit following management's decision not to renew their contracts which expires.
2013	Sigiri mine, Guinea	Community members	A community protest was reported when local village communities protested in certain areas around Sigiri mine against the announced labour cuts by SAG sub-contractors, AMCO the drilling contractors and SGS the sampling contractors who run the laboratories. The reason for the protest by the local village communities was that they insisted that no workers from the local villages be part of the personnel that are named in the labour cuts.

Definitions used in this report

Artisanal and small-scale mining (ASM): ASM includes any mining and/or processing activities undertaken by an individual or individuals, who may have formed a collective or co-operative. Large collectives may comprise hundreds or even thousands of people working an area. Regardless of the number of people involved, a common characteristic is a low level of mechanization. Although it might appear informal, such activity is often well coordinated. ASM activity is sometimes regulated by local legislation, but more often is unregulated. It may be legal or illegal. Colloquially, ASM goes under many different terms, including *galamsey* (in Ghana), *orpailleurs* (in the DRC) and *garimpeiros* (in Brazil).

Criminal activity: Such activity is defined by appropriate legal statute and may include illegal mining or the theft and sabotage of company property.

Fall of ground: The fall of rock/material from the roof of a mine into a mine opening.

Legal mining: National legislation will in most cases determine the legality or otherwise of any mining activity. Artisanal and small-scale mining may be legal, depending on local regulation of the industry.

Illegal mining: AngloGold Ashanti defines illegal mining as artisanal and small-scale mining undertaken in contravention of law. Notwithstanding that artisanal and small-scale mining in a given country is generally legal, it may still be illegal when encroachment takes place on areas legally designated for large-scale mining.

Trespassing: Trespassing is deemed to occur when any individual enters a restricted area or private property without permission. This includes persons intending to mine or engage in any activities which may include criminal acts such as theft of mine property. Restricted areas, for example, active mining areas, must be demarcated and those in the vicinity must be notified. As mining concessions are large and often have many communities living on them, an individual cannot be considered to be trespassing by virtue of being on a mining concession *per se*. Accordingly it is the responsibility of the mine to demarcate restricted areas clearly and to communicate with communities in the surrounding areas.