

Report to the Plenary Session of the Voluntary Principles on Security and Human Rights

2016

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, aligned to our Human Rights Policy (available publically at www.anglogoldashanti.com), 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.

Our ongoing attendance of VPI Plenary meetings, participation in pillar meetings, working groups and in-country initiatives, provide a solid platform for collaboration and engagement with peers and colleagues across pillars, to ensure alignment with the intent of the VP's.

Furthermore, our performance regarding human rights and the implementation of the VP's, forms part of our annual sustainability reporting, which is publically available.

2. *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, sites are required to use the VP's KPI's checklist and VP's Implementation Guidance Toolkit in formulating their site based procedures.

The Human Rights Due Diligence Standard, which considers human rights risks throughout the lifecycle of our operations, was approved by the executive committee of AngloGold Ashanti and implementation commenced in 2016. Much of the implementation process was geared towards building internal awareness and understanding of where the company's activities may have the potential to intersect with or infringe

upon human rights. This also included preventing or mitigating potential impacts, or remediating impacts that have occurred.

At Geita Gold Mine in Tanzania, we initiated a pilot for the Human Rights Due Diligence (HRDD) process late in 2015. We used a toolkit developed internally in the organisation to assess compliance with the various HRDD aspects of the standard. During the first quarter of 2016, the pilot concluded, and based on the findings of using the generic toolkit, the process was extended to all other operations in the company.

A Human Rights Working Group (HRWG) was established to implement and monitor the Human Rights framework implementation.

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

3. 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 Annual Report is published on its website: www.anglogoldashanti.com

B. Policies, Procedures and Related Activities

4. 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 Sustainability 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. In this regard, regular security threat

and risk assessments are conducted, to identify the potential for conflict and appropriate mitigation measures implemented.

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.

5. 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 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.

6. 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 2015 and 2016 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; and
- incidents of community unrest/protests.

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

As reported in (5) 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.

8. 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 2016 are provided in the Annexure.

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 2016, with data for the same period in 2015 supplied for comparative purposes.

Table 1: Fatalities and injuries, related to interventions by security personnel, at AngloGold Ashanti operations in 2016.

Incident Region/ Operation/ Exploration Site	2016				2015			
	Community Members		AngloGold Ashanti Security Personnel		Community Members		AngloGold Ashanti Security Personnel	
	Fatalities	Injuries	Fatalities	Injuries	Fatalities	Injuries	Fatalities	Injuries
South Africa Region	-	-	1	9	-	1	-	4
Siguiri	-	-	-	2	1	-	-	16
Mali	-	-	-	-	-	-	-	-
Obuasi	-	-	1	2	-	-	-	15
Iduapriem	-	-	-	2	-	-	-	-
Geita	-	*5 31	-	20	2	2* 31	-	36
Sadiola	-	-	-	-	-	-	-	-
Colombia	-	-	-	-	-	-	-	-
**DRC - Mongbwalu	-	-	-	-	-	-	-	-
Total	-	36	2	35	3	34	-	71

* Incidents involving discharge of less lethal firearms.

** DRC – Mongbwalu incidents only recorded until end Feb 2015 when the mine was sold to another company.

Table 2: Summary of fatalities among and injuries to third parties involved in illegal activities at AngloGold Ashanti operations/exploration sites in 2016, not related to security intervention.

Incident Operation / exploration site	2016		2015	
	Fatalities	Injuries	Fatalities	Injuries
Obuasi	–	–	–	–
Geita	1 (illegal mining)	5 (illegal mining)	9 (illegal mining)	8 (illegal mining)
Siguiri	10 (illegal mining)	–	–	–
Gramalote	–	–	1 (illegal mining)	–
South Africa Region	–	–	–	–
Total	11	5	10	8
DRC (exploration site – incidents reported occurred on the company's concession area)	–	–	4*	–
Total (including DRC)	11	5	14	8

* 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.

It must be noted that where figures are reported to us by other sources, that these numbers may carry some inaccuracies.

Table 3: Summary of community protest actions at AngloGold Ashanti operations, during 2016.

Operation/exploration site	Number of Protest Actions	
	2016	2015
Obuasi	-	2
Iduapriem	-	2
Siguiri	2	6
Geita	-	1
Cerro Vanguardia	1	-
Total	3	11

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.

In South Africa, engagement with the Police is prioritised and we participate in several forums involving the Chamber of Mines, Industry and the Police, to ensure interaction and collective effort to proactively address stability issues, including the respect for human rights.

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 and engagement with Local, Regional and National authorities regarding the importance of the VP’s, has had a positive effect on our capability to respond to conflict situations in an appropriate manner.

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.

In Tanzania, for instance, we have in collaboration with the national Police initiated a Community Policing initiative aimed at training individuals who will assist the Police in community safety and security requirements. Part of this training includes VP’s related training.

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 2016, increased intrusions onto our tenement and operational areas, has resulted in escalating risk, specifically due to illegal mining related activities. Despite this negative trend and associated challenges, the ongoing efforts in implementing the “community enhanced security plan”, which in summary involves removing people from risk, reducing potential for conflict, interaction with public security and communities across the global portfolio, and additional focused stakeholder engagement, has generally yielded positive results.

Despite the increased confrontation and potential for conflict due to illegal mining challenges faced, specifically at Obuasi, Siguiri and Geita, requiring the support of public security forces, only two self-reported human rights violations were recorded during 2016, as summarised below:

At Vaal River in the South Africa Region, AGA security staff manhandled suspects during an arrest for product theft. Four security staff members were dismissed for their actions, and the use of force awareness training re-emphasised for all security staff.

At Geita Gold Mine in Tanzania, members of the Police contingent on mine site assaulted a community liaison officer. The Police officers were removed from site and disciplined through the Tanzanian Police disciplinary process. Use of force training was re-emphasised for all security staff.

Every incident which may have a potential human rights implication is thoroughly investigated and analysed, for learning and continuous improvement purposes across the group.

Annexure
Summary of significant security incidents in 2016

In 2016 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 Related to Security Interventions 2016			
2016	There were no community fatalities reported for the year related to security intervention.		
Community Injuries Related to Security Interventions 2016			
2016	Geita Mine, Tanzania	Security and illegal miners	36 x Community Injuries – community members were injured in 35 separate incidents while attempting to escape arrest.
AGA Staff Fatalities Related to Security Interventions 2016			
2016	Obuasi Mine, Ghana	AGA Staff and intruders	1 x AGA Staff fatality - an AGA staff member was fatally injured, when he was struck by a vehicle whilst trying to flee to safety from hostile illegal miners.
2016	Vaal River, South Africa Region	Security and intruders	1 x AGA Staff fatality - a Security staff member was fatally injured when attacked by intruders / criminals whilst performing duties.
AGA Staff Injuries Related to Security Interventions 2016			
2016	Geita Mine, Tanzania	Security and intruders	20 x AGA Staff injuries - Security staff members sustained injuries in 16 separate incidents when attacked by intruders / criminals whilst performing duties.
2016	Iduapriem, Ghana	Security and intruders	2 x AGA Staff injuries - Security staff members sustained injuries when attacked by intruders / criminals whilst performing duties.
2016	Obuasi, Ghana	Security and intruders	2 x AGA Staff injuries - Security staff members sustained injuries when attacked by intruders / criminals whilst performing duties.
2016	Siguri Mine, Guinea	Security and intruders	2 x AGA Staff injuries - Security staff members sustained injuries in 2 separate incidents when attacked by intruders / criminals whilst performing duties.
2016	Vaal River, South Africa Region	Security and intruders	5 x AGA Staff injuries - Security staff members sustained injuries in 4 separate incidents when attacked by intruders / criminals whilst performing duties.
2016	West Wits, South Africa Region	Security and intruders	4 x AGA Staff injuries - Security staff members sustained injuries in 4 separate incidents when attacked by intruders / criminals whilst performing duties.

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.			
Community Fatalities – Illegal Activity 2016: No Security Intervention			
2016	Siguiri Mine, Guinea	Artisanal/ illegal miners	10 x Fatalities – ten (10) community members were fatally injured in 5 separate incidents whilst busy with illegal mining activity.
2016	Geita Mine, Tanzania	Artisanal/illegal miners	1 x Fatality – one (1) community member was fatally injured whilst busy with illegal mining activity.
Community Injuries – Illegal Activities 2016: No Security Intervention			
2016	Geita Mine, Tanzania	Artisanal/ illegal miners	5 x Injuries – five (5) community members were injured in 4 separate incidents whilst busy with illegal mining activities.

Community Unrest / Protest Incidents			
2016	Cerro Vanguardia, Argentina	Community members	Approximately thirty (30) protesters from Santa Cruz embarked on a protest to demand higher wages. The Mine Management team intervened and the situation was calmed after two hours. A petition containing complaints was handed over by the protestors, which was deliberated and resolved without further incident.
2016	Siguiri Mine, Guinea	Security/ community members	<ul style="list-style-type: none"> - Community members blocked the roads leading to the Heap Leach and mining areas. The protest revolved around the termination of short term contracts of 47 community members. After consultation with community members the issue was resolved amicably. - A group of youth calling themselves ‘Association of Graduates from Kintinian’, stopped day shift mining activities at Seguelen area demanding employment. Through engagement with local authorities, and the chairperson of the Kintinian consultation committee with the aggrieved community members the situation was resolved.

Definitions used in this report

Artisanal and small-scale mining (ASM): broadly refers to mining practiced by individuals, groups and/or some members of the communities and may be organised or unorganised; legal or illegal and characterised by a combination of key features.

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: refers to any mining activities (Artisanal, Small-scale, Medium or Large-scale) undertaken either in contravention of the laws (not licensed) of the host country or carried out in / on AngloGold Ashanti's (AGA) license area without the prior consent of the Company in the case of tributing. (In Colombia and Brazil, illegal mining activities in this category are limited to those associated with subsistence push factors to differentiate them from illegal-criminal mining activities).

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.