

# ANGLO**GOLD**ASHANTI

<b>MANAGEMENT STANDARD</b>		
<b>HUMAN RIGHTS DUE DILIGENCE</b>		
<b>POLICY CUSTODIAN</b>	Corporate Sustainability Department	
<b>AUTHORISED BY</b>	AngloGold Ashanti Executive Committee	<b>DATE:</b> March 2016
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## 1. INTRODUCTION

Business activities often have human rights implications, positive and negative, for communities, employees, suppliers, contractors and even the wider society. If managed responsibly, human rights issues can help build a strong social license to operate and enduring relationships based on trust with communities and other stakeholders. Conversely, failure to effectively manage human rights issues carries significant financial, legal and reputational risks such as operational delays, legal disputes, investor challenges, employee dissatisfaction and reputational harm.

Given that human rights are cross-cutting and touch on every discipline, function and aspect of the business, the risks associated with failure to respect them can arise in any context. It is therefore important that **the approach taken towards managing human rights risk is cross-functional, broad-based and firmly embedded into the company's broader risk management framework.**

**By applying the key elements of due diligence, it is possible for AngloGold Ashanti to manage its human rights risks effectively, while meeting its responsibility to respect human rights.<sup>1</sup>** The application of a due-diligence approach to human rights provides the level of detail and structure required for the company to identify and understand its specific human rights risks at every point in time and to take the necessary actions needed to prevent, mitigate and address them.

## 2. OBJECTIVES

The objectives of this management standard are to:

- 2.1 Ensure that AngloGold Ashanti effectively manages its human rights risks.
- 2.2 To set the context for the minimum requirements for implementing human rights due diligence processes within the company.
- 2.3 Support AngloGold Ashanti's values to "uphold and promote fundamental human rights where we do business" and "...contribute to building productive, respectful and mutually beneficial partnerships in the communities in which we operate."

## 3. NORMATIVE REFERENCES

The following AGA documents will be referred to and utilised as part of the human rights due diligence assessment:

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<sup>1</sup> United Nations Office of the High Commissioner for Human Rights (OHCHR) (2011): UNGP 17 - *UN Guiding Principles on Business and Human Rights: Implementing the Protect, Respect, Remedy Framework*.



- 3.1 Human Rights Policy
- 3.2 Human Rights Due Diligence Guidelines
- 3.3 Standard on Vulnerable Persons
- 3.4 Group Risk Management Standard
- 3.5 Group Risk Statement
- 3.6 Group Risk Management Guidelines and Risk Assessment and Reporting Matrix
- 3.7 Management Standard on Incident Classification and Reporting
- 3.8 Management Standard on Engagement

## 4. DEFINITIONS

### 4.1 Human rights impact

Human rights impact occurs when an action removes or reduces the ability of an individual to enjoy his or her human rights.

### 4.2 Gross human rights violation

There is no single definition of gross human rights violations in international law, but is generally understood to include: torture, genocide, slavery and slavery-like practices, summary or arbitrary executions, enforced disappearances, arbitrary and prolonged detention, and systematic discrimination. Other kinds of human rights violations, including of economic, social and cultural rights, can also count as gross violations if they are grave and systematic, for example violations taking place on a large scale or targeted at particular population groups.<sup>2</sup>

### 4.3 Human rights due diligence

The process of building internal awareness and understanding of where the company's activities may have the potential to intersect with human rights or infringe upon the enjoyment of human rights by others, as well as how to prevent or mitigate such potential human rights impacts and remediate actual impacts that have occurred.

### 4.4 Human rights baseline studies

A baseline refers to measurements of key human rights conditions (indicators) before or during a project, from which change and progress can be assessed. Sometimes baseline data is available, other times a baseline study is needed to determine baseline conditions. There are a variety of different scenarios for and ways to conduct baseline studies. The specific

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<sup>2</sup> United Nations Office of the High Commissioner for Human Rights (OHCHR) (2011): *The Corporate Responsibility to Respect Human Rights: An Interpretative Guide* p.6.



methodology will depend on a variety of project-specific factors, ranging from specific indicators to time and budget.

#### 4.5 Leverage

Leverage is a form of advantage that gives power to act effectively. In the context of the UN Guiding Principles it refers to the ability of a business enterprise to effect change in the wrongful practices of another party that is causing or contributing to an adverse human rights impact.

#### 4.6 Mitigation

The mitigation of human rights impacts refers to actions taken to reduce the extent of an impact, with any residual impact then requiring remediation. The mitigation of human rights risks refers to actions taken to reduce the likelihood of a certain adverse impact occurring.

#### 4.7 Potential human rights impacts

Potential human rights impacts are adverse impacts that may occur, but have not yet materialized.

#### 4.8 Remediation/Remedy

Remediation and remedy refer to both the processes of providing remedy for an adverse human rights impact and to the substantive outcomes that can counteract, or make good, the adverse impact. These outcomes may take a range of forms, including apologies, restitution, rehabilitation, financial or non-financial compensation and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition<sup>3</sup>.

### 5. ACCOUNTABILITY AND RESPONSIBILITY

5.1 Accountability for establishing a human rights baseline for the company lies with the EVP: Sustainability at the Corporate Office. Ultimate accountability for implementing this standard lies with the manager in control of the site.

5.2 Implementation accountabilities can be delegated to designated person(s) who must clearly understand their accountabilities and authorities.

5.3 Each site must ensure that it has adequate and appropriately experienced resources, including human resources, to implement the standard.

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<sup>3</sup> United Nations Office of the High Commissioner for Human Rights (OHCHR) (2011): *The Corporate Responsibility to Respect Human Rights: An Interpretative Guide*



## 6. SCOPE

- 6.1 The requirements of this Management Standard shall apply to all wholly-owned AngloGold Ashanti sites.
- 6.2 In the case of a non-managed joint venture (JV), we must endeavour to ensure that the joint venture partner has in place, a human rights due diligence process that complies with this standard. Where a comparable due diligence process is not in place or available, the parties must adopt a process which accords with internationally accepted good mining practice.
- 6.3 This standard applies regardless of the stage in the project lifecycle.
- 6.4 In applying this Standard, reference must be made to the accompanying Guidance document.

## 7. PRINCIPLES

- 7.1 We carry out on-going human rights due diligence throughout the lifecycle of an operation (from pre-entry stage to closure) to identify, prevent, mitigate and account for how we address human rights impacts.
- 7.2 Our due diligence goes beyond consideration of material risks to the company, and includes consideration of risks to, or impact on, external rights-holders as applicable. 
- 7.3 Our due diligence covers adverse human rights impacts that we may cause or contribute to through our own activities, or which may be directly linked to our operations, products or services by our business relationships.
- 7.4 We recognise that human rights risks may change over time as operations and operating contexts evolve, and we ensure that our approach adequately responds to these changes and to the local contexts in which we operate.
- 7.5 When we operate in difficult contexts, such as conflict-affected, post-conflict or weak governance zones, we take extra care and make enhanced efforts to ensure we respect human rights and international humanitarian law.<sup>4</sup>
- 7.6 We treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue wherever we operate. In line with the Guiding principles, this means we consider the avoidance of involvement in gross human rights abuses to be a legal requirement, and thus mandate adherence in the same vein as we mandate compliance with other international and local regulatory requirements that apply to our business.
- 7.7 We engage all stakeholders, both internal and external, in all aspects of our work affecting them.


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<sup>4</sup> Refer to Guidance on operating in conflict areas



- 7.8 We support the action of our team members by providing the necessary resources to carry out their work with due respect for human rights.
- 7.9 We foster and maintain a corporate culture where respect for the human rights is at the core.
- 7.10 We set clear accountabilities for human rights.

## 8. REQUIREMENTS<sup>5</sup>

- 8.1 **Given that human rights due diligence will continuously be required, a human rights base-line for the company must be established which can be drawn on repeatedly across the company.** 
- 8.2 Human rights impact assessments must be undertaken in order to understand the human rights risks associated with projects and operations and the effects on the rights of stakeholders. The identification of risks and assessment processes must be undertaken at the outset of any activity and on an ongoing basis. Particularly:
  - 8.2.1 At the pre-feasibility stage of any project or new operation, a human rights impact assessment must be undertaken in order to understand most likely interactions between the proposed project and human rights
  - 8.2.2 At the feasibility stage of a project and prior to any new activity, major decisions or major changes in the operation, or in response to or anticipation of changes in the operating environment, human rights impact assessments must be undertaken.
  - 8.2.3 **Human rights impact assessments must be integrated into on-going management of an existing project or operation for the duration of its lifespan and findings acted on as appropriate.**
- 8.3 Identification and assessment of human rights risk must apply to all projects and not be based on size of capital investment.
- 8.4 **Identification and assessment must cover all possible scenarios from which risks and impacts may originate, including:**
  - 8.4.1 **Context:** whether the country/location/activity in question is particularly prone to human rights violations; whether there are significant gaps between the country's laws and international standards on human rights;
  - 8.4.2 **Rights at Risk:** All internationally recognised human rights must be covered, but with particular attention paid to salient human rights for the company and activity in question. Such assessment must also identify who are most likely to be perpetrators and victims of violations of each right;
  - 8.4.3 **Risks and impacts which AngloGold Ashanti may cause:** i.e. arising as a result of direct actions of AngloGold Ashanti;

<sup>5</sup> Refer to accompanying implementation guidance for further details on the principles set out in this standard.



- 8.4.4 Risks and impacts to which AngloGold Ashanti may contribute:** i.e. arising as a result of the actions of 3<sup>rd</sup> parties, but to which AngloGold Ashanti contributes, for instance through the provision of material, logistical or other forms of support to a business partner who commits human rights abuses;
- 8.4.5 Risks and impacts with which AngloGold Ashanti may be linked:** i.e. arising only because of linkage to products, services and activities of 3<sup>rd</sup> parties with whom AGA has relationships, but in which AngloGold Ashanti played no part; and
- 8.4.6 Potential and actual impacts:** i.e. those impacts which have not occurred but may do so in future as well as those that have occurred or are ongoing.
- 8.5** Where possible, human rights assessments must be integrated into Environmental and Social Impact Assessments (ESIAs), drawing on human rights expertise to ensure such integration. However, in some situations, it may be more appropriate to conduct stand-alone human rights assessments.
- 8.6** Engagement with stakeholders is an integral aspect of the due diligence process. Such engagement must be effective and address potential barriers before it takes place.
- 8.7** Engagement must involve consultation with affected or potentially affected stakeholders, paying special attention to individuals from groups or populations that may be at heightened risk of vulnerability or marginalisation.
- 8.8** Risks identified in the course of assessments must be integrated across relevant internal functions and processes, and appropriate action taken.
- 8.9** AngloGold Ashanti must take steps to prevent, mitigate and remediate adverse impacts that are identified through its assessment to have been or could be caused or contributed to by AGA, in line with the requirements of the Management Standard on Community Complaints and Grievances.
- 8.10** For those adverse impacts not directly attributable to AngloGold Ashanti but to which it is indirectly linked, AngloGold Ashanti must endeavour to use its leverage to seek a change in behaviour and remediation by the 3<sup>rd</sup> party directly responsible. Where AngloGold Ashanti does not have enough leverage, it must seek to increase its leverage in line with the UN Guiding Principles.<sup>6</sup>
- 8.11** The effectiveness of action taken must be tracked in order to verify whether negative human rights impacts are being addressed. Such tracking must be based on appropriate qualitative and quantitative indicators and must draw on feedback from both internal and external sources, including affected stakeholders.
- 8.12** AngloGold Ashanti must account for how it addresses its human rights impacts, by communicating externally and reporting formally. Communication must be in a manner that does

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<sup>6</sup> Refer to accompanying implementation guidance for further details on the use of leverage





not pose risks to affected stakeholders or personnel.

## 9. REPORTING

9.1 Periodic reporting must be in accordance with regulatory and AngloGold Ashanti corporate office reporting requirements such as the Global Reporting Initiative, Board reports and governance reporting requirements.

## 10. REFERENCES

The following documents may be consulted for more information:

United Nations Office of the High Commissioner for Human Rights 2011: *UN Guiding Principles on Business and Human Rights: Implementing the Protect, Respect, Remedy Framework*.

[http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

BLIHR, UN Global Compact, OHCHR. 2011. The Guide for Integrating Human Rights into Business Management <http://www.integrating-humanrights.org/>

ICMM. 2012. Human rights in the mining and metals industry: Integrating human rights due diligence into corporate risk management processes <http://www.icmm.com/document/3308>

ICMM. May 2009. Human rights in the Mining & Metals Industry: Overview, Management Approach and Issues. May 2009: <http://www.icmm.com/page/225/our-work/projects/articles/business-and-human-rights>

IFC 2011. Guide to Human Rights Impact Assessment and Management <http://www.ifc.org/wps/wcm/connect/8ecd35004c0cb230884bc9ec6f601fe4/hriam-guide-092011.pdf?MOD=AJPERES>

OHCHR. 2012. The Corporate Responsibility to Respect Human Rights: An Interpretive Guide [http://www.ohchr.org/Documents/Publications/HR.PUB.12.2\\_En.pdf](http://www.ohchr.org/Documents/Publications/HR.PUB.12.2_En.pdf)

MB Taylor et al. 2009. Due Diligence for Human Rights: A Risk-Based Approach [http://www.hks.harvard.edu/m-rcbg/CSRI/publications/workingpaper\\_53\\_taylor\\_etal.pdf](http://www.hks.harvard.edu/m-rcbg/CSRI/publications/workingpaper_53_taylor_etal.pdf)