

MINERALS COUNCIL OF SOUTH AFRICA RESPONSIBLE SOURCING AND HUMAN RIGHTS

31 July 2020

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Principal: Sustainable and Responsible Supply Chain



DISCUSSION POINTS

- Anglo American and Responsible Sourcing
- Discussion: Challenges and risk management
- A case for collaboration within our sector
- COVID-19 and Human Rights
- Q&A

ANGLO AMERICAN AND RESPONSIBLE SOURCING

RESPONSIBLE SOURCING CONTEXT

- As a business, we have committed to our 'burning ambition' of being the most valued mining company in the world by 2023.
- This journey compels us to consider the impact of our decisions across a wide range of stakeholders – including employees, communities, customers, business partners and shareholders.
- Our suppliers are a critical part of this journey, supporting us to conduct our business practices fairly and transparently - while working together to promote **decent and safe work**.

Responsible Sourcing supports this journey

- ***We expect all suppliers to meet applicable laws – while sharing our commitment to improve people's lives, society and our environment.***
- Within our business, the commitment to Responsible Sourcing prioritises ethical decision making when purchasing goods and services

5 Responsible Sourcing Pillars



**PROTECT SAFETY
AND HEALTH**



**PROTECT OUR
ENVIRONMENT**



**RESPECT LABOUR AND
HUMAN RIGHTS**



**CONTRIBUTE
TO THRIVING
COMMUNITIES**



**CONDUCT BUSINESS
FAIRLY AND WITH
INTEGRITY**

APPROACH AND HIGHLIGHTS



RESPONSIBLE SOURCING PILLARS

Supporting the United Nations Sustainable Development Goals through Supply Chain



**PROTECT SAFETY
AND HEALTH**



**PROTECT OUR
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**RESPECT LABOUR AND
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**CONDUCT BUSINESS
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LINK TO SUSTAINABLE DEVELOPMENT GOALS



**SUSTAINABLE
DEVELOPMENT
GOALS**

RESPONSIBLE SOURCING PILLARS

Supporting the United Nations Sustainable Development Goals through Supply Chain

PROTECT SAFETY AND HEALTH

1. We work together to maintain a safe and healthy workplace
2. Comply with all applicable Legislation, regulations, by-laws and best practice guidelines
3. Maintain a zero-tolerance approach to unsafe behavior
4. Conduct risk assessments and manage safety risk
5. Ensure that employees are trained and issued with protective equipment
6. Offer unrestricted access to water and sanitation
7. Manage infectious diseases
8. Contribute to Anglo American safety performance and innovation
9. Dormitory accommodation (where provided) meets health and fire code requirements

PROTECT OUR ENVIRONMENT

1. Comply with all applicable Legislation, regulations, by-laws and any guidelines, striving towards best practice
2. Conduct risk assessments and manage environmental risks
3. Use water responsibly, reduce emissions and waste
4. Comply with Anglo American site requirements (applicable to all work conducted on Anglo American sites)



PROTECT SAFETY AND HEALTH



PROTECT OUR ENVIRONMENT



RESPECT LABOUR AND HUMAN RIGHTS



CONTRIBUTE TO THRIVING COMMUNITIES



CONDUCT BUSINESS FAIRLY AND WITH INTEGRITY

RESPECT LABOUR AND HUMAN RIGHTS

1. Not use child labour
2. Combat all forms of Modern Slavery – including the elimination of trafficked, forced, bonded and involuntary prison labour
3. Prohibit the lodging of “security deposits”
4. Oppose unfair or inhumane treatment of the workforce including all forms of bullying and harassment
5. Allow freedom of association
6. Maintain working hours which meet Legal requirements and operate shifts under 12 hours
7. Demonstrate that overtime is voluntary, within Legal limits and appropriately compensated
8. Maintain fair and Legal terms of employment
9. Not permit unauthorised or illegal salary deductions
10. Eliminate irregular employment
11. Eliminate illegal and unfair discrimination
12. Promote an inclusive workplace

CONTRIBUTE TO THRIVING COMMUNITIES

1. Respect rights of communities and individuals
2. Comply with all site-specific social performance
3. Provision of Security related services

CONDUCT BUSINESS FAIRLY AND WITH INTEGRITY

1. Oppose bribery
2. Do not offer gifts, entertainment and hospitality to Anglo American
3. Do not engage in unfair commercial practices
4. Manage conflicts of interest
5. Maintain information security
6. Comply with anti-money laundering laws, anti-terrorism financing laws and trade reg
7. Encourage “whistleblowing” and speaking up
8. against unethical behaviour

RESPONSIBLE SOURCING DUE DILIGENCE

4 Steps for Suppliers



1

COMMIT TO RESPONSIBLE BUSINESS PRACTICE

Every supplier to our business is required to comply with relevant laws and commit to Anglo American's Responsible Sourcing requirements as a precondition to supply. These requirements are also contained in our contract templates and purchase order conditions.



2

COMPLETE A SELF-ASSESSMENT (SAQ)

Suppliers are to complete a self-assessment questionnaire (SAQ), including making updates to the information provided. The SAQ is typically required during supplier registration, qualification, updates and sourcing events.



3

PROVIDE EVIDENCE OF THIRD PARTY ASSESSMENT

Suppliers may be required to provide evidence of previously conducted responsible sourcing assessments, or be requested to conduct a new, third party assessment.



4

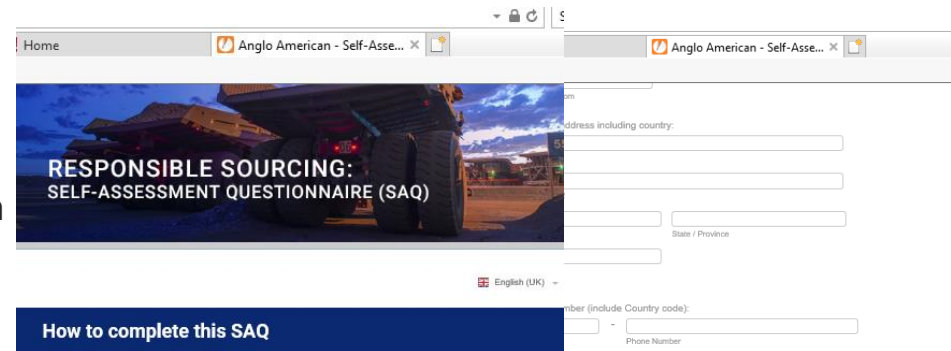
MANAGE YOUR RISK

Where Responsible Sourcing risk has been identified - including any breaches to this Standard - suppliers are required to inform Anglo American, develop corrective action plans with realistic timelines to address them and provide feedback on progress.

ENABLEMENT RESOURCES TO CONSIDER

Supplier facing

- Responsible Sourcing Standard for Suppliers
- Responsible Sourcing Video
- Self-Assessment Questionnaire (SAQ) Platform
- Frequently Asked Questions (FAQ)
- Supplier Capability Development programme



The SAQ is divided into 4 main parts. Depending on the nature of the goods or services you supply to Anglo American and De Beers, you will be required to complete multiple parts.

The table and diagram below outline which parts you need to complete:

Type of supplier business	Parts that must be completed			
	A	B	C	D
All suppliers	A	-	-	-
If you manufacture or supply goods <i>Examples include: any Anglo American or De Beers branded materials, construction goods and materials, engines and fittings, raw materials, underground mining equipment, surface mining equipment, fuel, compressors/turbines/blowers, mining consumables, personal protective equipment (PPE), hand tools and workshop consumables, bulk chemicals, explosives, etc.</i>	A	B	-	-
If you provide technical services to mine sites <i>Examples include: road transport, construction services, load and haul services, operational site services, mine ventilation, fuel management services, repairs on site, explosive and blasting services, temporary B contract labour, site based installations, site based waste management, maintenance services on site, site rehabilitation, water treatment, etc.</i>	A	-	C	-
If you provide contract mining, security or EPCM services	A	-	C	D

Time of similar business

Information for the facility

Information for the facility	Female	Male	Gender neutral	Total
Permanent employees:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Temporary employees:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Contract workers / provided by a:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Subcontracted workers in the:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Subcontracted units (if applicable):	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total (inclusive of all):	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Responsible Sourcing SAQ and on-site assessment (audit)

Internal

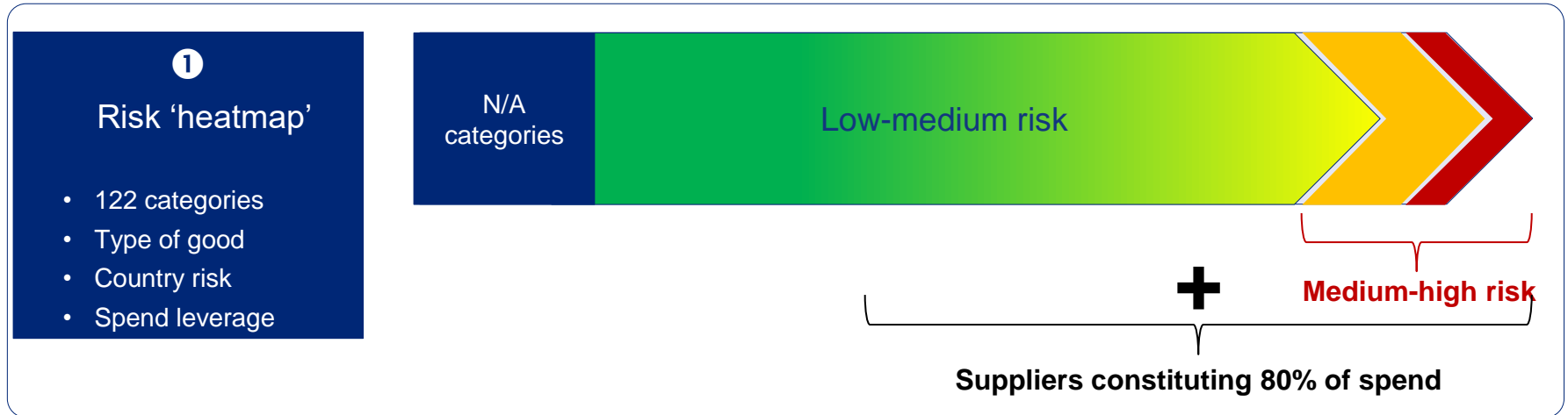
- Supply Chain Leadership Team support
- Internal Sourcing Standard
- Escalation protocols
- Responsible Sourcing Champions Network
- Letters playbook
 - Invite letter
 - Escalation letters
- Internal awareness training pack (45 minutes – 2 hours)
- Assessment / audit protocols and equivalence
- Intranet site
 - Implementation / deployment guide
 - Training resources
- Supplier Capacity Curriculum

DISCUSSION: CHALLENGES AND RISK MANAGEMENT

1. Prioritisation of suppliers for engagement
2. Cost of compliance
3. Communication and change management
4. Dealing with breaches vs development
5. Industry alignment

5 WAYS TO PRIORITISE RISK SUPPLIER ENGAGEMENT

Heatmap and spend based approach



2

'Nominations'

3

Sourcing event linked requirements

4

Third party risk information sources

5

Whistleblowing channels

DEALING WITH BREACHES

A breach refers to a serious non-compliance of a core legal or Responsible Sourcing requirement. To avoid doubt, breaches may include, but are not limited to:

- Wilful or negligent acts or omissions resulting in serious injury or death,
- Wilful non-compliance to legal requirements or Anglo American site requirements,
- Refusal to remediate and contain adverse environmental effects,
- The use of child labour, forced labour and other forms of Modern Slavery,
- Discrimination or the abuse of human rights,
- Excessive working hours, Illegal wage deductions and non-payment of minimum wage or legal benefits,
- Refusal to implement agreed measures for community impacts and development
- Bribery, money laundering or the financing of terrorism.

In the event of a breach we require a supplier to:



1

Immediately inform
Anglo American



2

Develop a
Corrective Action
Plan (CAP)



3

Provide regular
feedback and
evidence on the
steps being
undertaken to resolve
any breach



4

Take steps to
prevent it recurring

A CASE FOR COLLABORATION WITHIN OUR SECTOR



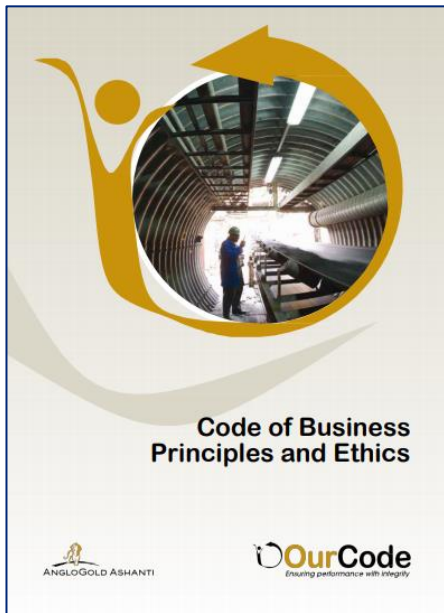
This is what mining looks like to the rest of the World

Price of Gold – Ghana: these men are enslaved in illegal gold mining in Ghana. They can sell their gold only to the moneylender at a price he sets. They are trapped by illegal, fictitious debt, and are often hunted by police and private security guards for trespassing. Many of them talk about wanting to escape. Some believe they will become rich if they work just a little longer and harder. Picture: Lisa Kristine

DIFFERENT APPROACHES FOR SIMILAR OUTCOMES

Through fair and transparent Industry collaboration

As an Industry, we are expected to uphold Human Rights and support principles of decent work – in our business and those of our suppliers.



BENEFITS OF WIDER INDUSTRY COLLABORATION

Through fair and transparent Industry collaboration

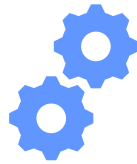
1

**Communicate
consistent
Industry
positions**



2

**Leverage
common tools,
resources and
due diligence
processes**



3

**Reduce
duplication,
confusion and
cost for
common
suppliers**



4

**Hold each
other
accountable to
protect human
and labour
rights**



4

**Systematically
build supplier
capacity as an
Industry**



COVID-19 AND HUMAN RIGHTS

OUR DUTY TO PROTECT THE VULNERABLE

- 1 Protecting the Health and Safety of workers**, especially the most vulnerable, is a priority and we expect suppliers to continue to follow all applicable Government regulations and guidelines – communicating potential risks (e.g. infections) or other restrictions to their Supply Chain contacts.
- 2 Clearly communicate the importance** of protecting Human and Worker Rights consistent with legal requirements, our Policies, Responsible Sourcing requirements and our Code of Conduct through the COVID-19 outbreak.
- 3 Intervene** where you suspect potential risk and those rights not being upheld – either directly with a supplier or through their supply chain – ensuring a firm strategy for response, potential survey and remediation.

AngloAmerican Real Mining. Real People. Real Difference.

STAY SAFE DURING LOCKDOWN

Together, lets fight against sexual and gender-based violence

Our aim has always been making our workplaces, our homes, our schools and our communities safer. Our Living with Dignity programme is in place to help you deal with sexual and gender-based violence.

Save these important numbers and share them with the women and vulnerable people you know.

Nationwide Emergency Response:	10111
Cell phone:	112
Ambulance:	10177
GBV Command Centre	0800 428 428
Skype:	Reach out to "HELPMEGBV"
Call-back service:	Dial *120*7867 #
Persons with disabilities:	SMS 'help' to 31531
Stop GBV Helpline:	0800 150 150
Child Line:	0800 055 555
POWA:	011 442 4345/6
Rape Crisis:	021 447 9762

WeCare **LIVING WITH DIGNITY**

National Shelter Movement of South Africa

DOMESTIC VIOLENCE SAFETY PLANNING

during the time of COVID-19

While South Africa is in lockdown to curb the spread of the coronavirus, for some, isolating at home presents additional risks. Know that help is available during the lockdown - for anyone at risk of domestic and gender-based violence. The following are a few suggestions for developing a personal and practical Safety Plan - for staying safe while enduring an abusive relationship, or when planning to leave, and after leaving - during the lockdown. While every situation is unique, these tips are meant to help you think of actions that work for your own situation.

BE PREPARED

Have emergency helpline numbers/numbers of organisations at hand (such as those listed below). Save these to your phone or write them down on a piece of paper that you keep with you at all times.

Important contact information

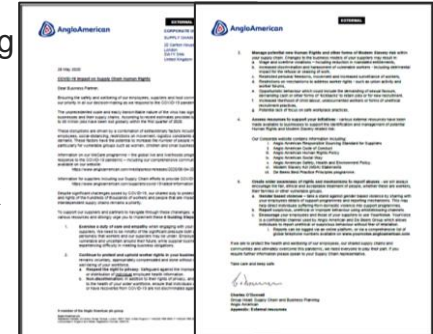
GBV Command Centre <ul style="list-style-type: none"> Call 0800 428 428 Send a "Please Call Me" by dialing *120*7867# SMS help to 31531 Textme GBV via skype 	National Shelter Movement of SA <ul style="list-style-type: none"> Eastern Cape: Christen Moonen/Mastmariyane shelter, 081 343 6956 Free State: Sarah Lekala, 072 144 7171 Gauteng: Rudo Mubwa, 083 08 7237 KwaZulu-Natal: Sabers Timol, 072 446 3337 Mpumalanga: Rose Mkhango, 079 310 9633 North West: Eira van der Berg, 072 346 6226 Northern Cape: Clair Adriaanse/Rose Bailey, 080 021 2321 or 073 608 8738 Western Cape: Bernadine Bachar, 082 903 8739 or Joy Lange on 071 906 3949 General information: Zubeida Dangor, 083 289 9818
LifeLine's Domestic Violence helpline <ul style="list-style-type: none"> Call 0800 150 150 	Triangle Project <ul style="list-style-type: none"> Specific support to LGBTQI community including referrals to shelters, Triangle offers a call back service. For information call 066 076 8845 or 021 421 0255 Helpline: 021 712 6698 (operative nationally)
INDGAC <ul style="list-style-type: none"> Telephone counselling & referrals for survivors of abuse Call 021 761 7585 (08:30 - 16:00) 	Rape Crisis <ul style="list-style-type: none"> 24-hour support including how to access Traditional Care Centres for medical and forensic assistance to rape survivors African: 021 639 9229 Indonesian: 021 361 9365 English: 021 447 9762 WhatsApp: 083 222 3164

Anglo American WECARE Programme: <https://www.angloamerican.com/media/press-releases/2020/06-04-2020>

A STRUCTURED APPROACH

Providing formalised guidance to suppliers

- A communications piece to provide consistent messaging on these risks to suppliers using 5 key points.
 1. Continue to exercise a duty of CARE and empathy when engaging with your employees and your suppliers.
 2. Continue to protect and uphold worker rights in your business, ensuring that all work remains voluntary, appropriately compensated and done without detriment to the safety or well-being of your workforce.
 3. Manage potential new Human Rights and other forms of Modern Slavery risk within your supply chain.
 4. Access resources to support your initiatives
 5. Create wider awareness of rights and mechanisms to report abuses.
- Provide links to resources.



1

2

Supporting internal capacity (resources available on Eureka!)

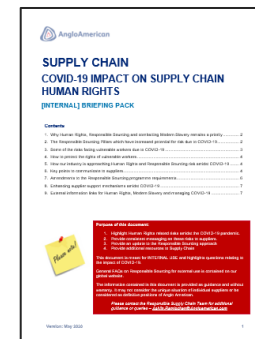
- [Engagement letter for suppliers](#) – from Charles – this is also attached on this message.
- [Internal briefing pack](#) – provides context and more detail to promote our consistent use of the letter and messaging to suppliers.
- [Internal training pack](#) [to be used in conjunction with the briefing pack]

3

Updates to the Responsible Sourcing programme

Deployment principles

- The letter will be posted on our website, support other COVID-19 relief initiatives
- Responsible Sourcing Champions are supporting socialisation of the letter and engagement with any of the internal supplier owners.
- A summary of SC efforts including this Human Rights piece will be released as part of the wider T&S Today communications.
- Other communications to be considered.



INTERNAL

HEIGHTENED HUMAN RIGHTS RISK FOR VULNERABLE WORKERS

- **Worker benefits and compensation**

- Workers being asked to work longer hours for no additional pay or being paid less for the same work they previously did.
- Workers being laid-off without due notice or severance and with disregard to the legal requirements of their jurisdictions.
- Reduction in mandated entitlements.

- **Privacy and discrimination**

- The improper, unauthorised use or distribution of individual employee health information
- Workplace discrimination against those who are infected or have recovered from COVID-19.

- **Working Hours**

- Excessive overtime violations
- 'Day of rest' violations

- **Exploitative practices**

- Exploitation of desperate job-seekers including bonded labour, excessive work hours, child labour, migrant and undocumented workers.
- Opportunistic behaviour which could include the demanding of sexual favours, demanding cash or other forms of 'kickbacks' to retain jobs or for new recruitment.
- Increased discrimination and harassment of vulnerable workers - including detrimental impact for the refusal or ceasing of work.

- **Reduced workplace rights**

- Restricted personal freedoms, movement and increased surveillance of workers,
- Restrictions on forums to address worker rights issues- such as union activity and worker forums

- **Safety risk**

- Inadequate controls and other protections for the workforce increase the likelihood of COVID-19 transmission.
- Inability to diagnose, isolate or otherwise treat workers who may demonstrate COVID-19 symptoms.

Q+A

THANK YOU