

IDENTIFICATION OF POTENTIAL IMPACTS ON HUMAN RIGHTS

Anglo American has a specific Human Rights policy in place which reinforces the respect for human rights and represents the values of the company as a business and is explicitly stated in the Business Principles of the Corporation.

Anglo American's human rights principles are linked to multiple internal policy documents, including those related to hiring practices, exploration, environmental practices, social performance and safety. Thus, the policy applies to the relationship with employees, contractors and other business partners of the public or private sector, or to the actions taken on behalf of Anglo American.

Anglo American's commitment to respect human rights includes all those identified in the International Charter of Human Rights of the United Nations-UN (including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights); the Declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work; and International Humanitarian Law, where applicable.

Therefore, the goal of Anglo American through the implementation of this policy is to identify, assess and minimize potential adverse human rights impacts linked to its business through due diligence and proper management, as defined in the UN Guiding Principles on Business and Human Rights.

The company is a founding member of the International Council on Mining and Metals (ICMM). According to John Ruggie (Special Representative of the UN for Human Rights): *"Respect for human rights is a central aspect of sustainable development. One of the core principles of the sustainable development framework of the ICMM is to defend and guarantee fundamental human rights and respect for cultural diversity, customs and values of employees and all those who are affected by our activities."* (ICMM, Principle 3¹).

Anglo American is also a signatory of the UN Global Compact and the Voluntary Principles on Security and Human Rights (VPSHR).

As reported previously, several internal documents provide guidelines on human rights and in the SEAT handbook Version 3 these guidelines are even more evident with regard to previous versions, and has specific tools on the subject, these being:

- Tool 1A (Determining the Profile of the Operation) which presents a series of requirements related to Work Practices, Impact on the Community and Supply Chain Management that should be assessed according to the method developed by the Danish Institute for Human Rights²; and

¹ Defend fundamental human rights and respect the culture, customs and values in dealings with employees and others affected by our activities.

²The Danish Institute for Human Rights, responsible for the publication of the document "Human Rights Compliance Assessment Quick Check"

- Tool 4H (Voluntary Principles on Security and Human Rights) which provides guidance on how to maintain the safety and security of its operations within a framework that ensures respect for human rights and mainly addresses how the company should interact with public and private security forces.

Tool 1A provides guidance on the assessment the operation should make to identify potential impacts on human rights. In accordance with the parameters laid down in the check list drawn up by the Danish Institute, it was found that, in general, the assessed areas of Anglo American are aligned as regards respect for human rights. Only two critical points were identified:

- Non-involvement of the operation's neighbors in training for emergency situations, although they are constantly informed about issues related to the operation; and
- Non-existence of a visible and audible alarm system in the operational area, although it is in the implementation phase. Currently, this communication is done via radio and by telephone.

It should be noted that the neighbor's involvement in the Emergency Response Plan (ERP) is something advocated by SEAT Tool 4B . For all other issues, it is recommended that Anglo American should accompany and continuously monitor them and that internal and external stakeholders should receive more information on the commitments signed by the company as regards respect for human rights, which was not identified at the time of consultations.

The main actions, procedures, guidelines, and all forms of identification, prevention, control and monitoring of potential risks of violation of human rights implemented by Anglo American and raised during the application of the check list drawn up by the Danish Institute are presented (by topic) in Exhibit C.

However, the scenario is a little different when a correlation is made of the results obtained through consultations with key stakeholders (internal and external) of the Barro Alto operation with potential impacts on human rights.

From this correlation it was possible to verify specifically what are the issues and impacts associated with the operation which have potential impacts on human rights, as well as the rights that present potential risks of being violated, as shown in the table below.

Table 7.1 Human Rights Issues and Impacts identified in Consultations with Barro Alto Stakeholders

Human Rights	Issues and Impacts	Risk Classification³
Right to health	Emission of particulate material	Significant (20)
	Annoying to owner next to the mine	Significant (16)
	Generation and final disposal of waste	Significant (13)
Right to adequate standards of living	Emission of particulate material	Significant (20)
	Risk that outsourced companies fail to comply with business agreements and negatively impact the local economy.	Significant (17)
	Annoying to owner next to the mine	Significant (16)
	Generation and final disposal of waste	Significant (13)
	Establishment of dependency links in partnerships of ISC and retraction of investments	Medium (9)
Right to work and to enjoy fair working conditions	Risk of violation of Human Rights in the supply chain	Significant (13)
	Low quality of the food served in the cafeteria	Significant (13)
	Breach of contract by temporary outsourced companies due to poor parameters in hiring requirements	Medium (8)
Right to not be subjected to slavery, servitude or forced labour	Risk of violation of Human Rights in the supply chain	Significant (13)
Right to child protection	Risk of violation of Human Rights in the supply chain	Significant (13)
	Establishment of dependency links in partnerships of ISC and retraction of investments	Medium (9)

Source: ERM Brasil Ltda., 2015

³According to parameters presented in the Risk Classification Matrix of Social Incidents.

From the information presented, it was verified that 8 issues and impacts identified in the Barro Alto operation can be considered potential impacts on human rights, and were predominantly classified as significant and may interfere directly in 5 human rights: Right to health; Right to adequate living standards; Right to work and to enjoy fair working conditions; Right to not be subjected to slavery, servitude or forced labour; and Right to child protection.

When issues and impacts are segregated by topic, it turns out that of the total identified, 3 can be classified as environmental issues and impacts, 3 as supply chain issues and impacts, 1 on working conditions and 1 relates to the initiatives of ISC. This segregation of the issues and impacts by topic is presented in the table below.

Table 7.1 *Issues and Impacts Considered Potential Impacts on Human Rights, by Topic*

Issues and Impacts Topic	Issues and Impacts		
Environmental	1. Emission of particulate material	2. Annoying to owner next to the mine (noise, vibration, etc.)	3. Generation and final disposal of waste
Supply chain	1. Risk that outsourced companies fail to comply with business agreements and negatively impact the local economy.	2. Risk of violation of Human Rights in the supply chain	3. Breach of contract by temporary outsourced companies due to poor parameters in hiring requirements
Working conditions	1. Low quality of the food served in the cafeteria		
ISC	1. Establishment of dependency links in partnerships of ISC and retraction of investments		

Source: ERM Brasil Ltda., 2015

From the information presented, it is observed that the environmental impacts inherent in mining activities that are normally treated just as direct disturbances to the environment and, sometimes, indirectly to the communities, are absolutely linked to the potential impacts on human rights. Together, they generate potential impacts on two human rights: Right to health; and Right to adequate living standards. Worth highlighting is the impact named as emission of particulate material, since it presents the highest risk rating (significant 20) among all the impacts assessed.

Supply chain related impacts generate potential impacts on four human rights: Right to work and to enjoy fair working conditions; Right to not be subjected to slavery, servitude or forced labour; and Right to child protection. Among the impacts related to the supply chain, the impact that outsourced companies fail to comply with business agreements and negatively impact the local economy stands out and represents the highest risk (significant 17) of this topic.

The impact defined as low quality of meals served in the cafeteria and related to working conditions, generates a potential impact on the right to work and to enjoy fair working conditions.

And, finally, the impact related to the initiatives of ISC generates a potential impact on two human rights: Right to adequate living standards; and Right to child protection.

It is worth noting that the potential impacts identified should be further investigated by the responsible areas of the company in order to verify if impacts on human rights associated with these issues and

impacts have already occurred or are occurring. If any type of violation is confirmed, Anglo American must implement effective remedial measures immediately after it has been identified. Otherwise, it will be violating another human right: Right to receive effective redress for acts that violate human rights. As per the recommendation of SEAT, the Social and Governmental Relations area should also be alerted about the critical points related to the result of applying the check list of the Danish Institute.

Therefore, it is necessary to adopt proactive and effective measures in order to manage properly the occurrence of these issues and impacts in the Barro Alto operation. With that, the proper management of potential impacts on human rights arising out of the activities carried out in the operation is expected.

It should be noted that management measures defined for these impacts and issues are presented in this report on the Social Management Plan. It is recommended that the effectiveness of these measures should be assessed with extreme accuracy at the time of the annual revision of this Plan.