

**March 2015**

Acacia Mining plc (“Acacia”) notes the recent briefing published by RAID that includes reference to human rights at the North Mara Gold Mine (NMGM). We cannot provide a comprehensive comment without having seen the complete report, but we do have some preliminary reactions to the short summary of the report contained in the Executive Summary published by RAID.

Acacia is one of Tanzania’s largest private-sector employers and is committed to fulfilling its responsibilities as a corporate citizen in Tanzania and engaging with local communities in connection with our operations, including the NMGM in Tanzania. Acacia’s mines are located in remote parts of Tanzania, with limited local infrastructure and significant poverty. Our focus is therefore not just on creating value for shareholders; we are just as committed to supporting the communities around our mines through sustainable development. Furthermore, through our majority shareholder, Barrick Gold Corporation, Acacia is a signatory to the Voluntary Principles on Security and Human Rights (Voluntary Principles).

Acacia has made significant efforts with respect to communicating our approach to sustainability and the standards, mechanisms and training that we have adopted and implemented with regards to security and human rights. We have engaged with the UK Government with regards to the allegations surrounding reported incidents at NMGM and we have responded in detail to a number of letters and reports from MiningWatch Canada (“MWC”) and RAID over the past twelve months in which they have levelled allegations against Acacia. In our responses we have also offered to meet with MWC and RAID to discuss their concerns. This exchange, together with additional background on the grievance mechanism, appears on our website at:

<http://www.acaciaminging.com/sustainability/our-material-areas/community-relations/grievance-mechanism.aspx>.

Regrettably, it appears from the Executive Summary that RAID are reiterating many of the same allegations in its report, ignoring the detailed information Acacia has provided and without discussing this with the senior management of Acacia or NMGM. Acacia would like to highlight the numerous mechanisms we have put in place and the progress made with respect to these initiatives at NMGM.

#### **Reduction in Intruders at North Mara & Recent Community Initiatives**

Acacia has made a comprehensive effort in order to improve community relations and security at NMGM in order to prevent violent confrontation. This has been borne out by a year on year reduction in the number of illegal miners on site in 2013 and 2014 compared to 2012. This trend follows five years of consecutive increases in the number of intruders on site.

The reduction in intruders has been the result of a number of initiatives which started with the signing of Village Benefit Agreements (VBA) and Village Benefit Implementation Agreements (VBIA) in 2011. The VBA/VBIAs provide for investment across health, water, education and alternative livelihoods within the seven villages surrounding the mine and have significantly improved the

relationships with the community. To date, US\$27.4 million has been spent implementing the agreements.

In addition, in 2013 Acacia supported the establishment of a co-operative society (NYAKEGEMA) that brings together over 900 youth from the seven villages around NMGM who voiced their intent and willingness to relinquish illegal mining activities and pursue new livelihoods with support from the mine. The mine is working with the group to establish various small businesses including street cleaning services, aquaculture, horticulture and masonry.

A key stakeholder in this has been the Tarime District Government and the Central Government who have stepped up efforts for community policing with numerous successful operations undertaken over the past year targeting criminal syndicates within the local community around NMGM. Acacia continues to engage with the District Government and the Police to ensure that these efforts are sustained.

Further, in June 2013, Acacia became a signatory to a multi-stakeholder partnership to improve the relationship between Artisanal and Small-scale Mining (ASM) and Large Scale Mining (LSM). The Multi-Stakeholder Partnership seeks to improve ASM-LSM coexistence in Tanzania by fostering the legal, regulated, safe, sustainable development of an ASM sector that operates within the rule of law and with respect for human rights. North Mara is participating in one of two pilot projects.

### **Training of Staff and Security Management System**

Acacia has continued to train staff to ensure they are prepared and equipped to manage situations that arise whilst ensuring that Acacia fully complies with the UN Voluntary Principles on Security and Human Rights.

Acacia has introduced a comprehensive security management system with continuous training programmes at all sites for both internal and external security staff. This system forms part of Acacia's overall Security Framework, which contains its processes and procedures for security management, incident reporting and investigations.

During 2013 Acacia assisted with the training of approximately 5,252 individuals on the Voluntary Principles, 6,234 individuals on use of force practices, and 5,200 individuals on the detection and prevention of sexual harassment. In 2014, a further 1,500 participants in Acacia training programmes included members of the Tanzanian Policing Unit assigned to provide security to our operations, Acacia security employees and contractors and community watchmen. Search for Common Ground conducted over 300 sessions with more than 12,000 stakeholders in the communities around Buzwagi, Bulyanhulu and North Mara on topics including conflict resolution, human rights, sexual harassment and violence against women and the dangers of illegal intrusion. This included providing training to over 1,500 members of Tanzanian Police units based in the vicinity of our operations on Voluntary Principles, Use of Force procedures and the detection and prevention of sexual harassment.

### **Remedy Programme and Grievance Process**

All Acacia operations, including NMGM have implemented a remedy programme and grievance

mechanism for human rights allegations that is consistent with the UN guiding Principles on Business and Human Rights 'Protect, Respect and Remedy' Framework'. Acacia reports on grievances lodged at each operation in its Annual Report 2014: [www.acaciamining.com/investors/reports/2015.aspx](http://www.acaciamining.com/investors/reports/2015.aspx)

This process is highly accessible and free of charge and is designed to enable any person who claims that he or she has been negatively impacted by the mine's operations to file a complaint at the mine's grievance office.

As part of the grievance process, NMGM actively encourages complainants to take legal advice and to bring advisors and/or lawyers to any meetings with NMGM. Before entering into a grievance resolution agreement, all complainants are given an opportunity to consult, in person and free of charge, with a retired Justice of the High Court of Tanzania. This is to ensure that the complainant fully understands his or her rights and the terms and consequences of the agreement that he or she is entering into. The complainants are unequivocally entitled to obtain legal advice from their existing or preferred legal advisors at company expense at any point in the process and in fact each complainant to date has agreed in writing that he or she has had an opportunity to obtain legal advice.

In short, the grievance process is a voluntary, efficient and fair alternative to formal legal proceedings. Grievances are treated equitably and respectfully, and efforts are made to resolve all grievances fairly and expeditiously. Indeed the grievance process is an important component of the many efforts made by NMGM to build and enhance relations with members of the surrounding communities. In the above mentioned responses, we have previously pointed to information that was already openly available about NMGM's grievance mechanism and provided further information, including about the grievance mechanism's outcomes with respect to sexual assault allegations and other human rights related grievances. For readers who may not have seen our previous responses, we described in detail the steps that have been taken by NMGM to ensure that, with respect to human rights issues in particular, its grievance mechanism is:

- **Legitimate and Accessible:** NMGM has engaged in extensive consultations with respect to the grievance mechanism and remediation packages, and taken numerous steps to ensure that there are no barriers to access.
- **Based on Free and Informed Consent:** Potential complainants have always been assured that they are not precluded from seeking redress elsewhere and encouraged to seek third-party assistance. Every complainant has been repeatedly encouraged to consult with a lawyer of their own choosing, and NMGM offers vouchers to those claimants to fund such consultations. As a matter of caution, every complainant has met with a retired Justice of the Tanzanian High Court before entering into a grievance resolution agreement in order for the terms of the resolution agreement to be clearly explained to them.
- **Designed to Resolve Grievances through Engagement and Dialogue:** individuals have been offered and have accepted remedy packages in response to grievances that might be considered human rights-related because they involved allegations regarding the use of force by mine security or police against intruders. Remedies for human rights grievances are tailored to each individual and may include, for example, construction materials, various types of rehabilitation, training and education, involvement in alternative livelihood

programmes, livelihood assistance and/or financial assistance (benchmarked against Tanzania's Workers Compensation Act and civil damage awards from Tanzanian courts).

### **Avanzar Reports**

Acacia is an independent company, operating with its own management team and an independent Board of Directors. As such, Acacia operates its own human rights programme, conducts its own assessments, and engages in its own analysis and follow-up activities, entirely independent of Barrick. The Executive Summary released by RAID incorrectly suggests that Acacia's programme is part of Barrick's programme, and that Barrick's annual summary report on its human rights assessments encompasses Acacia-related operations. This is not the case.

Acacia's human rights assessment programme was initiated in 2011, and it is an important element of our overall human rights compliance programme. The assessments are conducted by an independent third party expert, Avanzar LLC, a highly respected, consulting organisation that is largely recognised as a leader in this field. The programme involves human rights impact and risk assessments at Acacia's operations and exploration sites. An internal report to management is generated to identify key findings and appropriate remedial responses, and enable local management to share relevant information with local stakeholders.

The assessment tool used for this process, which covers dozens of individual human rights and hundreds of individual indicators, is far more extensive than any commercial tool currently available. The tool focuses on seven categories: (1) labour and working conditions; (2) indigenous peoples; (3) community economic, social and cultural rights; (4) community environment; (5) health and safety; (6) land rights, security; and (7) anti-corruption. Issues related to supply chain and children's rights also are embedded throughout these seven categories.

Further, Acacia also conducts independent assessments that focus on the Voluntary Principles. Finally, Acacia also maintains a dedicated internal audit programme focusing on functional unit management systems, such as security, community relations, and environment, which may impact human rights. Search for Common Ground also provide feedback on an on-going basis based on their work around Acacia's operations.

We are glad to provide further information related to our human rights assessments, or any other aspect of our human rights program, but consider these criticisms misdirected.

We understand that Barrick Gold Corporation and Avanzar will comment further on these points.

### **Agreements with Tanzanian Police Force**

Acacia has entered into specific memoranda of understanding (MoUs) with the Tanzanian police force for the provision of police force patrols in the general area surrounding the Company's mines.

Generally, police are only called upon to enter Acacia's sites in the case of emergency where police assistance is required to maintain law and order; otherwise access is restricted. In all cases, the MoUs require the police to comply with all relevant laws and international enforcement principles,

including the Voluntary Principles. Any issues raised with Acacia in relation to the conduct of the police are reported to the Police command and are followed up.

In addition, the police are specifically required to receive human rights training before being assigned to any of Acacia's mine sites and Acacia participates in helping to provide such training whenever it can. To our knowledge, Acacia is the first and only private company to comprehensively engage with senior Tanzanian government officials and local law enforcement agencies to encourage and support the provision of Voluntary Principles training to these agencies and the adherence to international human rights norms.

### **Security arrangements and investigations into security incidents at North Mara**

We disagree with RAID's criticisms of security arrangements and investigations into security incidents at the North Mara mine. In particular, we do not accept the facts previously published by RAID on which those criticisms appear to be based.

We note that the Voluntary Principles on Security and Human Rights provide the cornerstone for our policies and practices in this area and for our ongoing review to ensure those policies and practices are protective of human rights. In line with best practice under the Voluntary Principles, all contracts with private security providers and our memoranda of understanding with the Tanzanian police incorporate the Voluntary Principles by reference. Our investigations policy is also designed to reflect best practice under the Voluntary Principles, including with respect to the gathering of evidence about allegations of human rights abuses by private contractors and public security forces. Further details regarding our approach to community engagement, security and human rights can be found on our website.

### **Leigh Day court proceedings in relation to injuries and fatalities at North Mara mine**

In 2013, a number of Tanzanian claimants represented by Leigh Day initiated proceedings against African Barrick Gold plc (now Acacia Mining plc) and its subsidiary, North Mara Gold Mine Limited (NMGM), in the English Courts in relation to injuries and fatalities at the North Mara mine. The claims were denied by Acacia Mining and NMGM and the litigation and further claims have been settled out of court.