

21 November 2016

To our stakeholders,

I am pleased to reaffirm the support of Australia-Africa Minerals & Energy Group (AAMEG) for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption.

AAMEG represents Australian and Australian-based mining, exploration, service and supply companies active in Africa. We assist our members to better understand, and more effectively and efficiently manage, non-technical risk issues, such as political and social risk, health, security, bribery and corruption, through the sharing of knowledge and resources and the facilitation of collaborative solutions to collective problems.

AAMEG has pledged to participate in and engage with the UN Global Compact in the following ways:

- Attract new participants to the UN Global Compact through our outreach efforts and awareness-raising.
- Organise learning and dialogue events, workshops and training for our members on the UN Global Compact and specific topics relevant to corporate sustainability.
- Provide our expertise and/or the voice of AAMEG members to Global Compact working groups and special initiatives.
- Engage our members in collective action efforts on Global Compact-related issues.

As of 31 October 2013, non-business participants of the UN Global Compact are required to submit a Communication on Engagement (COE) every two years, disclosing their progress in implementing the Ten Principles. We recognise that COEs are a key requirement for participation in the Global Compact, and believe that such reporting for the purpose of the public accountability and transparency are fundamental in achieving progress on a global scale.

This report, AAMEG's first submission since confirming its commitment in 2014, outlines the organisation's commitment to, and its promotion of, the Ten Principles of the UN Global Compact.

While this COE is a stand-alone document, the majority of information included is based on AAMEG's Annual Reports for the 2014/15 and 2015/16 financial years (covering the period July 2014 – July 2016).

More detailed information AAMEG's objectives and work programs can be found on its website, www.aameg.org

Sincerely yours,



Ms. Trish O'Reilly
CEO, Australia-Africa Minerals & Energy Group

The Ten Principles of the UN Global Compact

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Description of Activities and Measurement of Outcomes

1. Attract new participants to the UN Global Compact through our outreach efforts and awareness-raising.

- AAMEG continues to support and promote various multilateral initiatives among the industry, including:
 - The Extractive Industries Transparency Initiative.
 - Chatham House – US AID Emerging Pandemic Threats Program: Infectious Disease Risk Assessment and Management.
 - The OECD Guidelines for Multinational Enterprises.
 - The Voluntary Principles on Security and Human Rights.
 - Africa Mining Vision.
- AAMEG recognises the importance of guidance and best practice resources that are practical and can assist at the community level. AAMEG together with Robin Budden (AAMEG member) produced the *Social Aspects Management Handbook* in late 2015, with a foreword from Foreign Minister Hon. Julie Bishop. This handbook provides a clear guide on the process of assessing the risks and managing the social aspects of a project with the same discipline one would apply to technical and financial aspects.
- Through numerous linkages with related organisations, NGOs and academia, AAMEG remains comprehensively informed of issues affecting the Australian resources industry active in Africa. Relevant guides and resources are made available to AAMEG members and distributed through newsletters, emails and the website. Some recent important publications disseminated include:
 - ASPI Special Report: Aus-Africa Dialogue 2015 (AAMEG presented at this dialogue)
 - Corruption Watch, May 2016: Firms Ned to Fight Graft with Intent
 - The Zambezi Protocol – Result of a Dialogue on Natural Resource Policy in Africa
 - Publish What you Fund: Aid Transparency Index 2016
 - The Initiative for Responsible Mining Assurance (IRMA) (2016): Standard for Responsible Mining
 - The World Bank (2016): Africa Pulse

Measurement of Outcome:

Collaboration with relevant external organisations is particularly valuable for AAMEG members and provides linkages into extensive international networks, ensuring up to date information and our ability to be part of the current dialogue. AAMEG raises awareness of social and corporate sustainability issues by engaging stakeholders and setting an example of industry best practice.

2. Organise learning and dialogue events, workshops and training for our members on the UN Global Compact and specific topics relevant to corporate sustainability.

AAMEG facilitated the following events in response to current Global Compact and member-related issues:

- June 2016 – AAMEG Seminar. Presentation on cotton growing trials in Kenya, panellists from Base Resources, Business for Development and Cotton On. Sponsored by Base Resources.
- May 2016 – AAMEG Luncheon “Emerging Security Issues in Africa.” Sponsored by South African Airways.
- May 2016 – AAMEG Seminar “Creating Shared Value Through Effective Community Engagement.” Sponsored by Newmont Mining.
- March 2016 – Visit to Perth by Professor Patrick Utomi – New Business Dynamics in Nigeria.
- March 2016 – AAMEG Seminar “Project Success – a Community Perspective;” “Working in Africa – a Current Perspective.” Sponsored by Lycopodium.
- November 2015 – AAMEG Roundtable: African Risk Issues.
- November 2015 – AAMEG Workshop “Malaria in 2015 – Myths and Realities.” Sponsored by International SOS.
- September 2015 – ADU Workshop “Voluntary Principles – Managing Security Risks with Respect for Human Rights.
- August 2015 – AAMEG Seminar “Strategic Engagement Strategies”; “Social Development Approaches in West Africa”; “Community Relations in Ghana.” Sponsored by Squire Patton Boggs.
- July 2015 – AAMEG Workshop “Intelligent Security: Managing Risk in Deployed Environments.” Sponsored by Claviger.
- July 2015 – AAMEG Workshop “Health Incident Planning – Infectious Disease and the Workplace.” Sponsored by International SOS.
- June 2015 - AAMIG Luncheon: Privacy and Cyber Risk - The Shifting Landscape, Lockton Companies, Perth.
- June 2015 - Case Study Luncheon: Developing a Nationalisation Plan for African Resource Companies, Globe 24-7, Perth.
- June 2015 - What are Responsible Business Practices, KordaMentha, Perth.
- May 2015 - Integrated Hard Risk Management Workshop, Risk 2 Solution Group, Brisbane.
- “Deloitte’s Bribery & Corruption Survey, April 2015 - An Insight”, Deloitte.
- March 2015 - Trading with Integrity: Eliminating Bribery from International Business, Deloitte, Perth.
- March 2015 - 'Hard' Risk Management in Tough Economic Times Roundtable, Risk 2 Solution Group, Perth.
- March 2015 - Security and Human Rights Workshop, Global Compact Network Australia, Perth.
- November 2014 - Roundtable Discussion - Development of a GIS database related to West African Geoscience.
- October 2014 - "Management of Financial Crime Risk in Africa" Sundowner, PwC, Melbourne.

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- October 2014 - "Dispute Resolution in Africa" Sundowner, Herbert Smith Freehills, Perth.
- August 2014 - AAMIG Sundowner "On the take... the increasing rise of fraud and corruption", PwC, Perth.
- August 2014 - Teamwork in Africa, Working Together for Positive Outcomes Breakfast, AAMIG, Africa Down Under.
- July 2014 - AAMIG "Cybercrime 101" Workshop, McGrathNicol, Perth.
- July 2014 - AAMIG Luncheon - "Medical challenges you may face when doing business in Africa", International SOS, Perth.
- July 2014 - Pragmatic Privacy: remaining compliant under Australia's new privacy regime, Norton Rose Fulbright, Perth.
- July 2014 - Industry Discussion on the impact of HIV on the mining industry, Murdoch University, Perth.
- July 2014 - AAMIG Roundtable "What's unique about earning a social licence in Africa?", Australian Centre for Corporate Social Responsibility, Perth

Measurement of outcome:

AAMEG engages with members on a regular basis and hosts a variety of events and workshops that are relevant to best practice and corporate sustainability. As an active participant in the UN Global Compact, AAMEG ensures that events and workshops are relevant to sustainable development and social responsibility.

3. Provide our expertise and/or the voice of AAMEG members to Global Compact working groups and special initiatives.

- AAMEG is a member of the United Nations Global Compact – Australia Network, and coordinates member interaction with this network, including feedback into:
 - Workshop: 'Voluntary Principles – Managing Security Risks with Respect for Human Rights', ADU 2015.
 - Business Roundtable Consultations: Towards an Australian National Action Plan on Business and Human Rights, 2016
- Voluntary Principles Initiative: Model Clauses for Security Agreements
 - This document was developed by a working group comprised of participants of the Voluntary Principles Initiative looking into security agreements between companies and governments. Its participants included AngloAmerican, Barrick Gold, BP, ExxonMobil, Freeport McMoran, Fund for Peace, the governments of Canada, Switzerland and the USA, Marathon Oil, Newmont Mining, PAX, Shell, and Total. PAX served as chair and secretariat.
 - UN Global Compact Network Australia, DFAT and AAMEG, were asked to comment on the document.
 - Ishara Davey, Policy Officer, DFAT advised on 2 June 2016 that the document has now been approved by the VPSHR Plenary.

Measurement of outcome:

AAMEG has acted as the voice of industry on several Global Compact platforms, particularly those which are relevant to the Australian resources industry operating across Africa. Of note, AAMEG's contribution to the Voluntary Principles Initiative ensured that the Model Clauses document included comment from the industry.

4. Engage our members in collective action efforts on Global Compact-related issues.

Anti-bribery and Corruption

- AAMEG is committed to working with its members and policy makers in Australia on all aspects related to anti-bribery and corruption issues, including the facilitation payments reform process. AAMEG's approach to the issue is consistent with that of the OECD and the Australian Government. AAMEG action includes:
 - AAMEG Submission to the Senate Standing Committee on Economics concerning Foreign Bribery, dated 24 August 2015.
 - A statement on facilitation payments defence.
 - Promoting the recommendations of the OECD Phase 3 Report on Implementing the OECD Anti-bribery Convention in Australia (2012), also taking into consideration the principles contained in Australia's Response in April 2015 to the OECD Phase 3 Report.
 - Engaging with the Australian Government and DFAT to explore possible programs to support African governments on the issue of facilitation.
 - Encouraging AAMEG members to become supporting companies of the Extractive Industries Transparency Initiative.

Facilitation Payments Defence

- AAMEG recognises the importance of providing opportunities for members to discuss this issue:
 - A number of roundtable sessions under The Chatham House Rule were held for AAMEG members. The aim was to increase the awareness of the difference between facilitation payments and bribery as well as discussing and sharing mechanisms designed to avoid making facilitation payments. A toolkit of scenarios was developed for discussion at these sessions.
 - Representatives from the Australian Federal Police and the Federal Attorney General's Department together with Deloitte have presented to AAMEG members regarding Anti-bribery and Corruption issues.
 - AAMEG joined with Deakin University to undertake a research project exploring the Facilitation Payments Defence. A significant number of AAMEG members were interviewed over a two-week period to provide input into the report. This report is currently being finalised.

Infectious Disease Risk Assessment Management

- The IDRAM Initiative commenced in the Katanga Province of the Democratic Republic of Congo (DRC) in June 2014, with strong support of AAMEG and its membership. This is an emerging infectious diseases project focused on the resources industry, led by the Centre for Global Health Security at Chatham House in London, managed by International SOS and funded by USAID. AAMEG assists by:
 - Facilitating engagement of key industry members.
 - Providing member updates, including the recent preliminary assessment of the feasibility of establishing a Participatory One Health Disease Detection ("PODD") system in the Katanga Copperbelt of the DRC.
 - Encouraging active engagement in the uptake of this project.
 - AAMEG members continue to support disease prevention initiatives in remote areas.

AAMEG has coordinated:

- AAMEG Workshop “Health Incident Planning – Infectious Disease and the Workplace.” Sponsored by International SOS, July 2015.
- AAMEG Workshop “Malaria in 2015 – Myths and Realities.” Sponsored by International SOS, November 2015.

Industry Response Group to Security Issues in Africa

- Coordinated a workshop with key stakeholders (including representatives from the Australian Government), to explore the issues and the steps required to minimise the security risks of working in Africa.
- Coordinated a working party to identify deliverable outcomes. These included:
 - Measures to improve the sharing of intelligence.
 - Risk based tools and framework to assist members in managing changes in their security environment, along with risk and crisis management workshops.
 - Increased collaboration among companies and the engagement of all stakeholders, including the Australian Government and its counterparts in Africa.

Measurement of outcome:

AAMEG responds to key industry issues and influences relevant dialogue, particularly in areas related to the UN Global Compact and Sustainable Development Goals. We encourage our members to cooperate and act collectively with the aim of promoting good corporate citizenship and best practice as a fundamental requirement for successful business.

AAMEG PRINCIPLES OF CONDUCT

AAMEG encourages good citizenship that recognises positive social change in host communities as a successful business imperative.

As the peak body representing the Australian resources industry operating in Africa, AAMEG encourages its members to undertake the following:

1. GOVERNANCE

- Implement and maintain ethical business practices and sound systems of corporate governance.
- Integrate sustainable development considerations within the corporate decision-making process.
- Implement risk management strategies based on valid data and sound science.

2. WORKPLACE

- Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and local communities.
- Provide opportunities for all employees to reach their full potential.
- Seek continual improvement in health and safety performance.

3. COMMUNITY

- Contribute to the social, economic and institutional development of the communities in which they operate.
- Implement effective and transparent engagement, communication and independently verified reporting arrangements with stakeholders.
- Seek continual improvement in environmental performance.