

Rights and Accountability in Development

11 June 2019

Acacia Mining Plc Board of Directors 5th Floor, No. 1 Cavendish Place London, W1G 0QF

Sent Via Email To:

- Rachel English, Interim Chair of the Board
- Peter Geleta, Interim Chief Executive Officer
- Stephen Galbraith, Non-Executive Director
- Steve Lucas, Independent Non-Executive Director
- Alan Ashworth, Independent Non-Executive Director
- Deborah Gudgeon, Independent Non-Executive Director
- Adrian Reynolds, Independent Non-Executive Director

Dear Mesdames/Sirs:

In light of your upcoming Annual General Meeting on 13 June 2019, we write to once again raise the human rights situation at Acacia Mining's North Mara Gold Mine. In light of the ongoing lack of justice for serious human rights violations at the mine over many years, and the clear unsuitability of the company's grievance mechanism to provide a fair and suitable remedy to the scores of victims, we believe it is vital that Acacia considers ending its agreement with the Tanzania police to provide security at the mine.

We believe that questions about respect for human rights falls squarely within the scope of your responsibilities as Board members, and urge you to raise this matter with senior management and ensure it is acted upon.

RAID has been documenting human rights violations by forces providing security at the company's North Mara mine since 2014. These include killings, severe beatings and sexual violence. Between 2014 and 2016 alone, RAID and MiningWatch Canada documented 22 killings and 69 injuries at or near the mine. Acacia itself acknowledges 32 "trespasser-related" fatalities during that same period. For such a high number of violations to be occurring outside a conflict zone in a business context is shocking and exceptional.

While Acacia notes in its annual report that there has been a decrease in "security-related" incidents at the mine, RAID's research shows that serious human rights violations by forces providing security at the mine continue. In the latest incident on May 31, a man walking home along a public road near the mine after collecting medicine for his father's cows was injured as police guarding the mine opened fire, possibly with tear gas or other projectiles, while chasing so-called "intruders." As a result of the injuries, his hand was later amputated. In July 2018, a 9 year-old girl was crushed and killed by a mine vehicle apparently driven by the police as the driver took a short-cut at a mine-controlled crossroad. In the aftermath, at least 4 women who had come to sit by the young girl's body were injured by teargas canisters and other projectiles when the police sought to disperse a gathering crowd.

Compounding the human rights problem, is the mine's grievance mechanism, which lacks independence and is under the control of the company. Claimants bringing grievances are subjected to

a disempowering and often humiliating process, which permits the company to act as investigator, judge and jury on the serious human rights violations by its security agents and/or the Tanzania police working alongside them. The grievance process denies victims basic procedural rights, characterises them or their family members as "criminals", and entrenches the stark power imbalance between a multinational gold mining company and impoverished local residents. Acacia's revised grievance mechanism is failing victims and local residents and is a far cry from being compliant with the *United Nation Guiding Principles on Business and Human Rights*.

RAID and other civil society organizations have repeatedly urged Acacia's management to implement measures to prevent these violations from continuing and to provide appropriate redress to those who suffered harm. We have participated in Acacia's consultation meeting with civil society, raised our concerns in written correspondence and in-person meetings. In our view, adequate steps to address the ongoing violence and the serious short comings to the company's grievance mechanism have <u>not</u> been taken.

These ongoing human rights issues severely undermine the company's legitimacy and its social licence to operate. The violations are closely linked to other pressing challenges facing Acacia including the Tanzanian government's export ban, the fines for environmental damages, and the corruption-related charges against local subsidiaries and current or former employees.

Mark Bristow, the CEO of Barrick, Acacia's majority shareholder, appeared to acknowledge the concerns in February 2019 when he publicly identified Acacia's failure to "embrace" local communities as an important cause of the company's difficulties in Tanzania. The fact that Mr Bristow was asked about Acacia's human rights record at North Mara during a high profile event at this year's Mining Indaba demonstrates that action is needed to restore Acacia's reputation.

Acacia has international responsibilities to respect human rights and enable access to remedy. As a priority, we urge you to take action on two fronts:

Firstly, to urgently reconsider the company's relationship with the Tanzanian police, who have been involved in many of the most serious human rights violations at North Mara. That relationship is set out in written agreements between the police and Acacia's local subsidiary, the North Mara Gold Mine Ltd, and began in at least 2010. The agreements set out that the police will provide security at the mine "in coordination" with the company's security staff. In return, the company will provide per-diems, vehicles, fuel, accommodation, food and other benefits to the police. In essence, the relationship appears to transform the police into a privatised security force for the mine, rather than an institution mandated to protect local people.

The police acting at the North Mara mine are also unaccountable. Despite the dozens of deaths and scores of serious injuries to so-called "intruders" and bystanders at or near the mine, we are not aware of a single police officer who has been held to account. Acacia has a responsibility, in accordance with the UN Guiding Principles, to use its leverage to press the Tanzanian government to hold all perpetrators of abuse, including the police, to account. If Acacia has used its leverage, it has clearly proven to be ineffective. The violations and accompanying impunity have continued for nearly a decade and has long since reached a point where it should be ringing alarm bells for senior management and the Board.

Without meaningful controls to prevent police abuses at the North Mara mine, Acacia must consider whether it can continue to use the police for joint security operations. The ongoing use of the police for security acutely raises the risk the company may be complicit in the crimes committed. We urge the Board to review the use of the police for security operations at North Mara. If Acacia is unable to conduct its operations at North Mara without resorting to the Tanzanian police for security on an ongoing basis, then serious consideration will need to be given as to whether the company can responsibly conduct its gold mining business at North Mara.

Secondly, closely related to the ongoing and serious human rights abuses, is the deeply flawed grievance process Acacia is operating at North Mara which aggravates the harm to victims.

This process, first published in 2017, followed earlier iterations that were widely criticised by civil society. The revised version is highly problematic and has also been the subject of repeated criticisms from international and Tanzanian civil society, not least because a company-led grievance mechanism is not suitable for grave or systematic human rights violations. This week, RAID will be publishing a detailed critique of the revised grievance process, which we hope you will carefully consider.

The UN Guiding Principles require that grievance mechanisms be "rights-compatible' and warn that poorly designed or implemented grievance mechanisms heighten the sense of disempowerment and disrespect experienced by those using such processes. In our view, Acacia's seriously flawed grievance mechanism falls into that category and is not compliant with the UN Guiding Principles.

We urge you to suspend the existing grievance mechanism pending an independent review of the grievance process by a respected, internationally recognised third party, such as the UN Working Group on business and human rights, with a view to incorporating the repeated critiques made by victims, Tanzanian and international civil society. An internal review by company officials, or their advisers, responsible for the current mechanism will lack credibility and is unlikely to bring about the required changes. In the interim, we urge you to cooperate with local Tanzanian authorities to ensure accountability and to continue to take precautionary measures and provide humanitarian assistance.

In closing, please allow me to re-iterate that RAID has raised many of these issues previously, including in a letter to the Board dated 10 October 2018. The only response we received was a letter dated 30 November 2018, signed by the local operating subsidiary's General Manager at North Mara. The letter did not meaningfully engage with any of the concerns raised, but focused instead on impugning, without citing any supporting evidence, RAID's motivations in raising them. With respect, these matters fall squarely within the mandate and responsibility of the Board, and we urge you to treat them as such.

We have copied senior management in Barrick Gold Corporation since it is Acacia's majority shareholder and has proposed acquiring the remaining minority shares. In our view, whoever owns Acacia Mining will need to address the human rights concerns at the North Mara mine.

We would be very happy to answer any questions from the Board or to provide further information if required.

Yours sincerely,

Anneke Van Woudenberg Executive Director

Cc: Mark Bristow, CEO, Barrick Gold

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John Thornton, Executive Chairman, Barrick Gold