

CREATING VALUE FOR SOCIETY

To be the partner of choice, it is essential that we maintain a positive relationship with the communities around our operations. It is through their goodwill that we are able to gain and maintain our social licence to operate.

EMPLOYEES AND PARTNERS WHO HAVE PARTICIPATED IN OUR ADVANCED SOCIAL MANAGEMENT PROGRAMME

254

MANAGERS PROVIDED WITH SEAT TRAINING, TO DATE

800

The needs and concerns of all our stakeholders inform and guide our approach to doing business. Our mining activities deliver substantial economic value, through the commodities we mine and process, the people we employ, the suppliers we support, and the revenues we generate. We plan our mining operations with the aim of ensuring that the value we create through our activities results in a positive social and environmental legacy once they close. We believe that effective management of social issues is a necessary element of sound overall operational management and that our leading management systems are a source of competitive advantage.

Principal risks and opportunities

Our most significant social risks fall into two categories: the risks that our activities present to our host communities and society more broadly; and the risks to our business from problematic situations within communities themselves. These risks may be historically rooted and present complex long-term social challenges, as the legacy of apartheid does in South Africa. Our social risks are predominantly associated with developing new operations, resettling communities and retrenching employees. If we fail to account for our actions and do not engage appropriately with our communities, we risk undermining our reputation and jeopardising our licence to develop and operate projects.

OUR STRATEGY AND MANAGEMENT APPROACH

Anglo American's social strategy is informed by our values and business principles, and is implemented

through a comprehensive set of social performance standards that are detailed in the Anglo American Social Way. The strategy focuses on leveraging our core business to support long-term social development through local procurement, workforce development and responsible supply chain management. We place considerable emphasis on integrating social considerations into each stage of the mining life cycle, as well as on enhancing the expertise of our social and community development specialists and the social awareness of line managers.

All operations follow social and community improvement plans, developed in 2009, which provide roadmaps aimed at ensuring full compliance with the 24 requirements of the Social Way. The requirements of the Social Way are integrated into the stage-gate reviews of our new capital projects and our due-diligence procedures for mergers and acquisitions. Social experts work with project teams at key stages in the development of a mine to determine whether the teams are compliant with technical, financial, environmental and social requirements. This process facilitates the earlier identification and management of potential risks, better preparation in terms of permitting requirements, and greater understanding of community concerns and expectations.

Socio-Economic Assessment Toolbox

Our industry-leading Socio-Economic Assessment Toolbox (SEAT) is the primary means by which we enhance the development outcomes and capacities of host communities. We use SEAT to improve operations' understanding of their socio-economic impacts (both positive and negative), enhance stakeholder dialogue and the management of social issues, build our ability to support local socio-economic development, and foster greater transparency and accountability. Engagement with local stakeholders is central to the process.

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