

The Anglo Social Way

Management System Standards



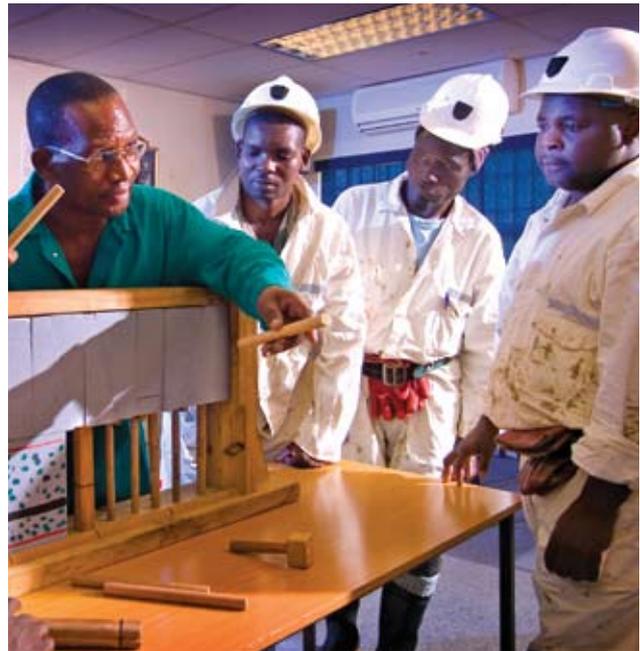
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Standard



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Introduction

Anglo American plc owns and operates a range of businesses which, by virtue of their nature, scale and location, have the potential for significant positive and negative social impacts on host communities and relevant labour sending areas (hereafter referred to as “associated” communities).

The overall conduct of Anglo American businesses and the values and standards that guide us are set out in “Good Citizenship: Our Business Principles”. In addressing interactions with our employees and associated communities, these Principles are based, as a minimum, upon a vision of Zero Harm. We are also committed, however, to supporting our employees in developing their potential, and to enhancing the opportunities available to, and capacities of, the communities in which we operate.

Our approach to social issues is based primarily upon seeking to leverage our core business impacts, including in areas like human resources, procurement and contractor management, in such a way as to enhance our development outcomes; in addition to conventional social investment.



Box 1 Distinctive Features of Managing Social Impacts

- The future of our business and our longer-term access to resources is dependent upon the trust, goodwill and consent of others. To secure such trust, it is essential that we behave in a consultative, accountable and transparent manner.
- Some social concerns raised by stakeholders may reflect issues that are not, at their heart, connected with our activities, but which may nonetheless require a response or careful management by the company. Contributing to poverty alleviation in host communities is one example.
- Our activities may have significant direct and indirect implications for the social structures, cultures, livelihoods and traditions of our host communities. Our most significant impacts may often be indirect (such as from in-migration) and without interventions may cancel out some of the direct benefits created by our operations.
- Some stakeholder concerns may not be based upon a factual or scientific assessment. However, their perceptions represent their continuing view of reality and must be addressed, for example, through improved communication, confidence building measures or changes in practice.
- Anglo employees and their families and contractors are potential ambassadors for the company, and even private behaviours out of working hours can have social impacts for which the company may be blamed.
- Social contexts can evolve rapidly even without any change at an Anglo operation. For example, job losses at neighbouring employers, rapid increases in food prices or political instability may transform social conditions in a host community.
- A given Anglo American activity can have markedly different social impacts in different locations, cultural or socio-economic contexts or even at different points in time. This has important implications for the development and timely review of management measures.
- In seeking to understand our impacts it is essential not only to identify and understand the range of our stakeholders and their relationships with our operations, but also the relationships between them. Otherwise we may, through our actions, unwittingly contribute to increasing tension or conflict.
- Many social issues which may impact upon our business are not subject to explicit regulatory or quantitative requirements, but flow instead from evolving stakeholder expectations at local and also international levels.

Although the management of social impacts has some overlaps with other components of the sustainable development agenda, there are some distinctive characteristics which must inform management approaches.

To help us meet our commitment to managing social impacts, we have developed policies and tools which cover the exploration, development, operational, closure and post-closure phases of our operations.

The Anglo American plc Executive Committee has endorsed and committed to the implementation of the Anglo Social Way as a governing framework for the management of social impacts. The Board seeks assurance of compliance with the Anglo Social Way standards through: the Good Citizenship Business Principles letters of assurance process; regular self-assessments; peer review; community consultation; implementation of the Anglo American Socio-Economic Assessment Toolbox (SEAT) process at relevant operations; and third party audits.



Social Issues Management in Anglo American

Our Vision

The Anglo American Social Vision is *to make a lasting positive contribution to the communities associated with our operations, and to be a partner of choice for host governments and communities as well as an employer of choice.*

We believe that the effective management of social issues is a necessary element of good overall operational management, and a source of competitive advantage. Poor management of social issues is inconsistent with Anglo American's values and with our long-term business interests.

We recognise that mining involves the depletion of a natural resource and, therefore, if we are to contribute to sustainable development we need to enhance the social, human and manufactured capital in the communities around our operations. I strongly believe that when conducted responsibly, mining has the potential to act as a motor for wider development, including poverty alleviation. We intend to be an industry leader in the management of social issues, to contribute to good governance, to seek the consent of local people and to innovate in our practices.

Our Principles

Underpinning this Vision are four core principles:

- We will engage respectfully with host communities throughout the project cycle, and be accountable to our stakeholders.
- Host communities should experience a lasting benefit from the presence of Anglo American operations and we will seek to maximise the benefits flowing from the operation of our core business in addition to traditional social investment.



- All necessary steps will be taken to spread the application of good practice, and to learn from negative social impacts, complaints, incidents, audit findings and other non-conformances to prevent their recurrence. Our businesses will put in place appropriate mechanisms for handling and resolving grievances.
- Common, non-negotiable performance standards and procedures shall be applied throughout the Group as a minimum requirement.

The Anglo American Social Management Principles set out the desired corporate culture, expected behaviours and our performance standards with respect to social issues. Each Principle has supporting elements to assist in realising our Vision.

Our Policy

We hold our leaders accountable for managing the social impacts of our activities, including activities undertaken on our behalf by contractors. We expect our line managers and supervisors to provide effective leadership in the management of social issues whilst recognising that avoiding adverse impacts is the responsibility of all who work for us. Managers are responsible for the full implementation of the Anglo Social Way at all managed operations. This requires:

- the allocation and efficient management of appropriate resources, including staff, training and assurance resources;
- the development, implementation and maintenance of social policies, programmes and procedures; and
- effective, proactive social impact identification, assessment and control consistent with the objective of minimising negative, and maximising positive, impacts.

Anglo American will at all times operate in an ethical and socially responsible manner. We support the Universal Declaration of Human Rights and will strive to protect and realise the rights of employees and host communities. We are implacably opposed to corruption in all its forms. We will work in partnership with government bodies and civil society organisations to promote the transparent and effective use of tax and other revenues generated by our business activities.

We will respect and protect the culture, beliefs and heritage of the communities in which we operate. We will demonstrate active stewardship of biodiversity and land, marine and freshwater systems with which we interact, both because of their intrinsic environmental value and because of their importance to host communities. We will comply with social legislation and other external principles and standards to which we subscribe, and develop a culture of knowledge sharing and continuous improvement.

We commit to open communication with our employees, local communities, contractors, suppliers, investors, business partners, customers, government agencies and other interested third parties to encourage a socially responsible culture.

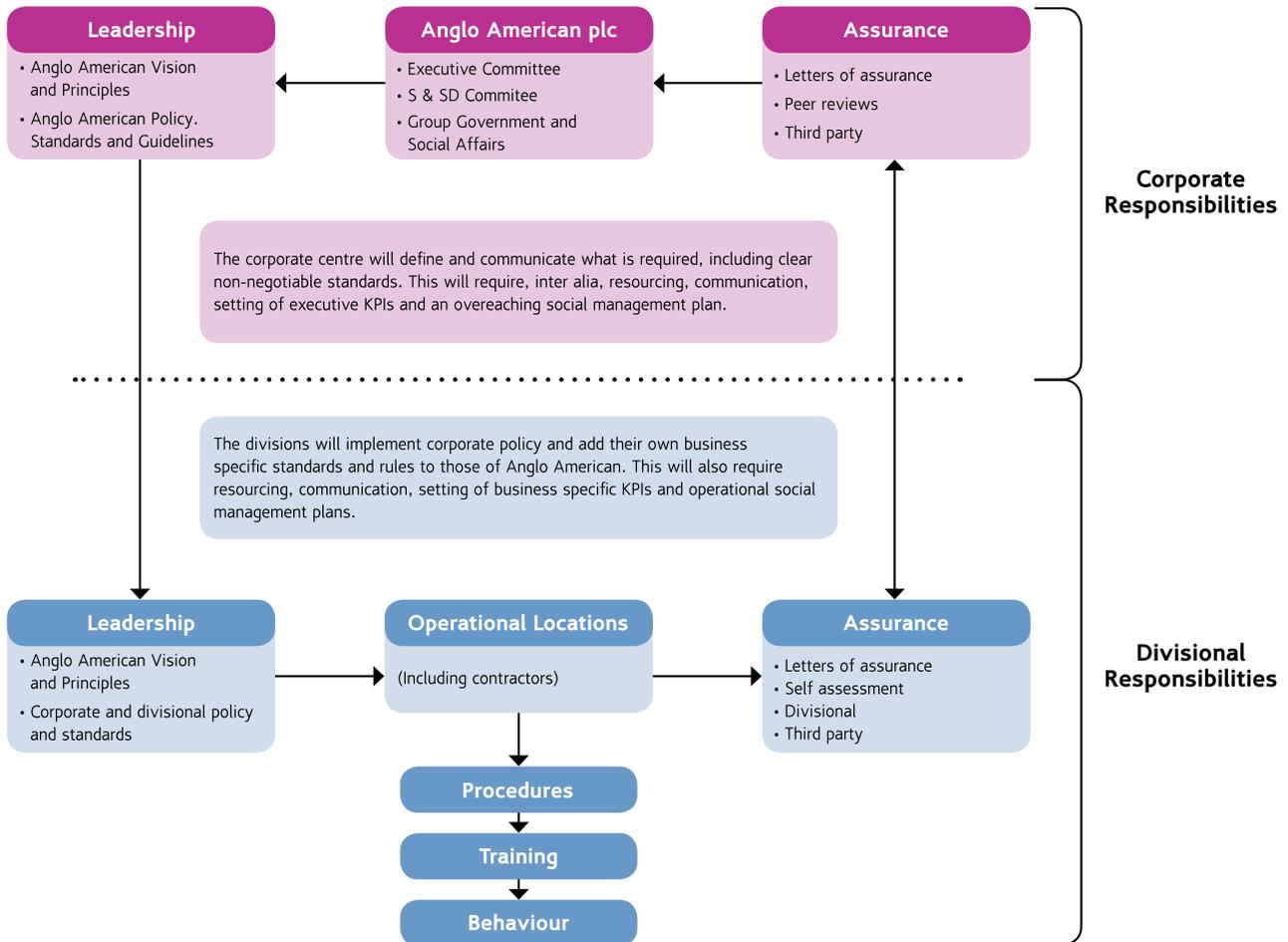
This policy will be reviewed at appropriate intervals in order to reflect developing best practice, societal expectations and what we learn from our experience of the effective management of social issues.



Cynthia Carroll
Chief Executive, Anglo American plc
April 2009

The Anglo Social Management Framework

The Anglo Social Management Framework defines the roles and responsibilities of the corporate and divisional organisations in realising the Social Vision. The corporate function, in consultation with internal and external stakeholders, defines requirements in relation to the Vision, Principles, Policy and Standards for social management and provides tools to assist in their implementation. The divisional organisations implement and incorporate the corporate requirements into business specific programmes and working practices.



Visible Leadership

Executives and senior management must lead by example, adopt a mindset that seeks to maximise positive impacts and minimise negative ones, and demonstrate leadership behaviours that drive continuous improvement in social performance.

Management must set non-negotiable, high standards for social management, actively engage with both the workforce and external stakeholders, and correct behaviours or situations that run contrary to such standards. Particular emphasis is needed to ensure that lessons are learned from incidents and complaints, that all necessary actions are taken to prevent repeats, and that procedures are in place to address grievances in a professional, transparent and equitable manner.



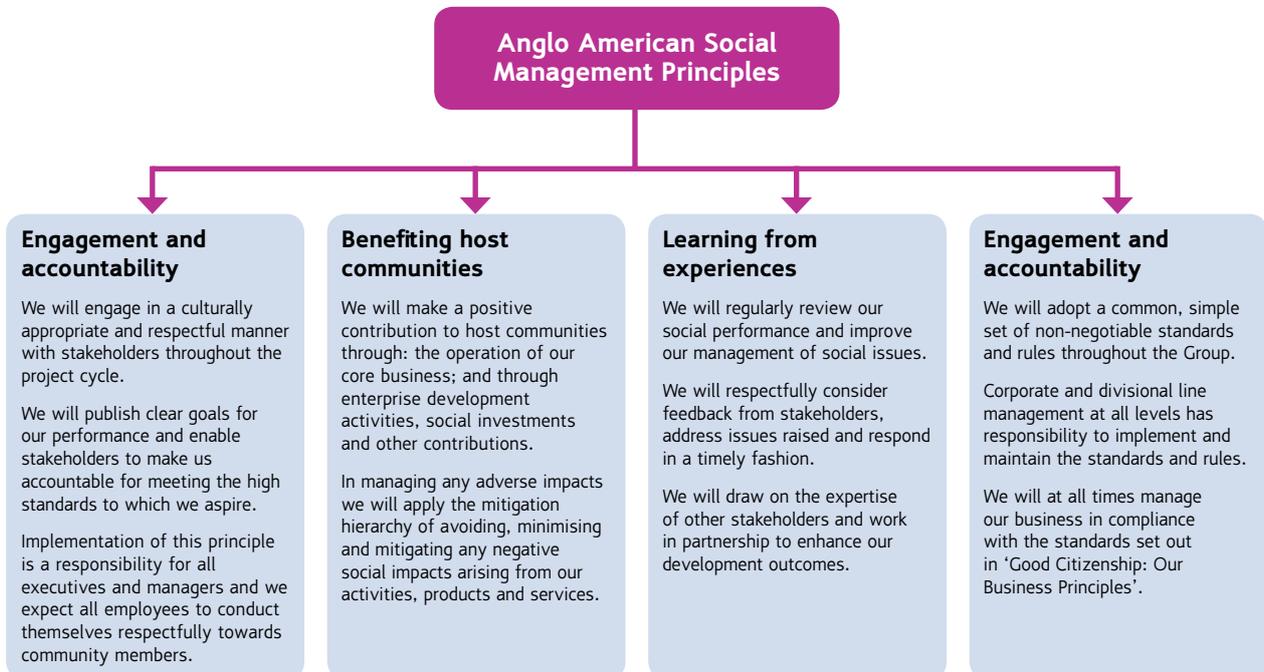
Management and employees at all levels have a responsibility to abide by these Principles. Suitable social performance objectives should be included into manager performance contracts. The Principles must be embraced by, and be embedded into, the organisation, and management must consistently pursue the development of a social management culture which reflects our Vision and Principles.

Corporate Assurance Programme



The Executive Committee seeks assurance of compliance with these Social Management Standards and with the process of continuous improvement, including through the Good Citizenship Business Principles letters of assurance and other assurance processes. The corporate assurance programmes have been developed as a means of ensuring that fundamentally sound, risk-based management systems that are responsive to the concerns of local stakeholders are in place at all operations. Furthermore, the assurance programmes assist in building core competence and acts as a catalyst for learning and sharing across Anglo American.

Our Principles



Document Hierarchy

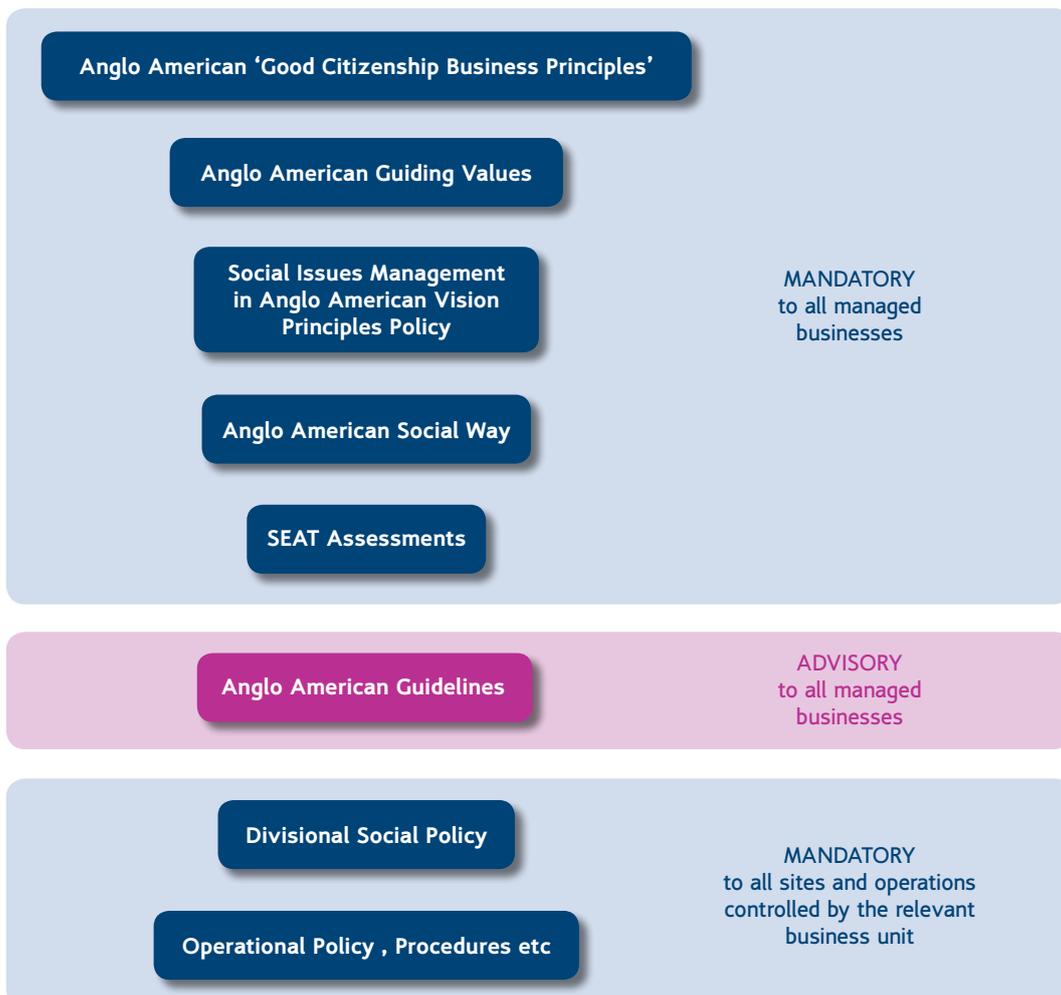
The Anglo Social Management Framework consists of a set of hierarchical documents. There is a mandatory requirement to implement the content of the high-level documentation, while implementation of guidelines is advisory.

Social Management System Standards

A Social Management System comprises the procedures and resources deployed by operations to deliver the effective management of social issues.

Anglo has developed Social Management System Standards which are mandatory, high-level policies and standards to support the Anglo Social Vision, Principles and Policy, and which outline the required approach to managing social impacts associated with Anglo operations. These Standards are also supported by detailed procedures and guidelines (for example SEAT). The Social Management System Standards have been endorsed by the Executive Committee.

Within Anglo American, the term “social” refers to a variety of issues and impacts, including those presented in Box 2.



Box 2 Key Issues Included Within the Definition of “Social” in Anglo American

- Stakeholder engagement, consultation and communication techniques.
- Economic development, including the direct economic contribution made by our operations (e.g. employment, taxes generated, procurement; enterprise development etc).
- Social investments by Anglo American and our operations.
- Impacts our operations may have on other economic activities and livelihoods which may be affected by mining (e.g. agriculture through our use of land or water).
- Impacts on the traditional lifestyles, cultures, languages and beliefs of associated communities, including the rights and interests of indigenous peoples.
- Human rights, including the actions of third parties acting on our behalf or because of our presence.
- Resettlement, including both residential and economic resettlement.
- Facilitation, as appropriate, of the provision of accommodation for our workforce.
- Impacts on the health of host communities as a result of our presence, including health effects relating to environmental issues and HIV/AIDS.
- The identification, management and prevention of potential sources of conflict in local societies which may be connected with the impacts of our operations.
- Building the skills of our employees, potential employees and community members and the capacities of government and community based institutions and organisations.
- Issues related to formal and informal land rights.
- The management of indirect impacts such as those arising from significant in-migration to areas surrounding our operations and connected with our presence.
- Compliance with core labour rights.
- The direct and indirect impacts which our operations may have on inter-generational and gender equity or on the position of historically disadvantaged groups in society.
- Complaints and grievance procedures for stakeholders.
- Our impacts on communities which may be remote from our operations but from which a significant element of our workforce is drawn (labour sending areas).



Management Review

The Anglo Social Way will be reviewed annually to ensure that it remains appropriate, and it will be revised and reissued as appropriate.

Social Management System Standards

The objectives of the Social Management System Standards are to support the realisation of the Good Citizenship Business Principles, the One Anglo Values and our Social Vision, Principles and Policy; ensure an appropriate degree of accountability to external stakeholders; provide clear performance criteria against which social management across the Group can be measured and audited; and provide a uniform basis for the provision of assurance and from which to drive continuous improvement across the Group

Scope

The Social Management Standards apply to all “managed” sites and operations. These include:

- owned and/or operated facilities, from exploration to post closure;
- acquisitions and divestments; and
- activities of contractors/suppliers on Anglo sites or under Anglo management.

The standards cover:

- all our activities that have the potential positively or negatively to impact on associated communities; and
- the entire life cycle of our operations from exploration through to project design, development, operation, decommissioning, closure and post closure.

These standards shall be made available to independently managed operations, via our representatives on relevant Boards, and to joint ventures to encourage their application with a view to improving social management in these businesses.

Underlying Commitments

In line with our Good Citizenship Business Principles and the Anglo American Guiding Values, our commitments are to:

- Proactively identify potential negative social impacts and risks arising from our activities, assess the significance of any such risks to Anglo and associated communities, and manage them so as to minimise any negative social impacts.
- Pro-actively seek to deliver a lasting net socio-economic benefit to host communities over the project lifecycle and beyond through the operation of our core business in addition to social investment.
- Efficiently utilise resources allocated for managing social performance, including through cross-company “One Anglo” delivery models where relevant.

- Ensure that legal, regulatory, Anglo American and other requirements applicable to social issues are identified and documented, and that all documentation is maintained, accessible, communicated and understood, and that the requirements are complied with.
- Ensure that all contractor and business partner arrangements and Contractor Management Systems include the operation’s and Anglo American’s social performance requirements, and that the contractor or partner organisation’s Social Management Systems reflects the requirements prescribed in this document⁽¹⁾.



⁽¹⁾ Refer to Tool 4F of SEAT for further guidance on managing social issues associated with contractors.

- Ensure that our conduct recognises the gender dimension of social challenges in the communities associated with our operations, including the fact that women may be marginalised, historically disadvantaged and disempowered, and that, through our community programmes, we should seek to assist in addressing previous disadvantage and also to supporting women's empowerment in areas such as enterprise development.
- Ensure that relevant objectives and targets for social issues are integrated into the overall business planning process and are deployed throughout the organisation for the purposes of continuous improvement.
- Ensure that employees and contractors are competent to perform their activities in a professional and socially responsible manner, including through the provision of appropriate training and mentoring.
- Proactively communicate and consult with employees, contractors, suppliers, associated communities, relevant government bodies and other stakeholders, as appropriate, to ensure that they are aware of social matters and that their perceptions and opinions are considered.
- Identify, prepare for and have the capability to respond appropriately to emergency and crisis situations that have the potential to impact associated communities or our corporate reputation.
- Investigate, categorise, analyse and internally report on all social incidents and complaints, and ensure that appropriate corrective and preventive actions are taken to close these out, and that the lessons learnt are shared.
- Ensure that social performance, systems and practices are monitored, audited and reviewed to identify trends, measure progress, assess compliance, and ensure that good practice is shared.
- Ensure that emergency response plans are prepared in consultation with stakeholders in a manner consistent with best practice⁽²⁾.
- Fully comply with the requirements of all international standards, declarations and conventions to which Anglo American subscribes.

Requirements

Social Management Plan Requirements

All Anglo American managed exploration activities, development projects⁽³⁾ and operations⁽⁴⁾ shall develop, document, implement, maintain and review a Social Management Plan. Divisional management shall review and approve all site Social Management Plans and monitor and evaluate progress.



For exploration projects plans should, as a minimum, meet the requirements set out in Anglo's Exploration SHEC-list. For development projects plans should, as a minimum, include a thorough impact assessment and management plan in accordance with the requirements set out in the integrated Social and Environmental Impact Assessment standard in Volume 2 of the Anglo Environment Way.

For all significant operations⁽⁵⁾ plans should be based on a comprehensive Anglo Socio-Economic Assessment Toolbox (SEAT) study implemented at least every three years. A comprehensive SEAT assessment shall include:

- Development of a sound understanding of the nature and development needs of associated communities.
- Inclusive consultation with the full range of interested and affected parties and authorities in associated communities, and an appreciation of the pre-existing or underlying dynamics between such groupings.
- Collaborative identification of both the positive and negative impacts of the operation on associated communities.

⁽²⁾ Refer to Tool 4B of SEAT for further guidance on involving stakeholders in planning for emergency responses.

⁽³⁾ Development projects are deemed to be those projects in the pre-feasibility, feasibility, construction or commissioning phases.

⁽⁴⁾ Operations are deemed to be those sites in the production phase.

⁽⁵⁾ Significant sites include all mining, smelting and refining operations, and port operations where Anglo is the owner, operator or major user of the port.

- A Social Management Plan to address negative operational impacts, maximise benefits and address broader local development issues. The plan must support realisation of the Anglo Social Vision, Principles, Policy and Standards and must meet regulatory requirements⁽⁶⁾.
- Production of a public report properly launched to stakeholders and made available to all stakeholders in associated communities.
- Implementation of agreed management measures with appropriate partners.
- Monitoring of social performance in collaboration with appropriate stakeholders.

The annually updated Community Engagement Plan (CEP) which is required for all significant operations will set out the what is required to achieve the objectives of the Social Management Plan in that year. The CEP should build on the SEAT report (where available) and detail: the annual programme of stakeholder engagement; key issues and impacts to be managed; resources and accountabilities; and initiatives to improve social performance⁽⁷⁾.

The Social Management Plan shall also address the management of social impacts associated with closure in a manner consistent with the approach set out in Anglo's Mine Closure Planning Toolbox.

Operations may wish to integrate their social management plan with safety, health, environmental, energy and human resources management plans to produce an integrated site sustainable development plan.

Complaints and Grievance Procedures

Anglo American seeks to establish a culture of integrity, openness and accountability. The Social Management System shall include a complaints and grievance procedure for receiving, managing, investigating and responding to stakeholder complaints in a timely and respectful manner. The complaints and grievance procedure must meet the following requirements⁽⁸⁾:

- A simple, locally appropriate process for receiving, identifying, recording and acknowledging complaints from stakeholders. The process must include options that are free of charge, and must allow for complaints to be submitted directly, anonymously or via third parties, as preferred by the complainant.
- A transparent, structured process for investigating complaints, providing fair redress as necessary, and for reviewing outcomes. The process must include: appropriate classification of complaints into Minor, Moderate or Serious⁽⁹⁾; clear accountabilities within the operation, including ensuring that no manager is both the alleged source of complaints and the sole arbiter of the operation's response; and an externally communicated process and timeframe for responding to stakeholders. All Moderate incidents must be reported within 24 hours to divisional management. All Serious incidents must be reported immediately to divisional management and to Group Government and Social Affairs within 24 hours.
- A mechanism for stakeholder appeals against internal investigation findings or proposed management responses should be provided for. Appeals should be heard by a mediation or adjudication panel that includes one or more reputable, independent third parties (i.e. not solely comprised of Anglo employees or our representatives). If the operation wishes to contest the grounds for an appeal input should be sought from divisional management for Moderate complaints and Group Government and Social Affairs for Serious complaints.
- Mechanisms to monitor the effectiveness of both the complaints and grievance procedure, and of the management responses adopted. Information for Moderate and Serious complaints should be reviewed on a regular basis by divisional Executive Committees (or their equivalents) to ensure that the level and severity of complaints is reduced over time.

⁽⁶⁾ For South African operations, for example, this would include Social and Labour Plans.

⁽⁷⁾ See SEAT Tool 4H for more guidance on preparing Community Engagement Plans. Following the guidance presented in this tool meets the requirements for a Social Management Plan at operations.

⁽⁸⁾ See SEAT Tool 4A for more guidance on complaints and grievance procedures.

⁽⁹⁾ See the Glossary of Key Terms for definitions of the levels.

Circumstance-specific Requirements

Where relevant, Anglo American operations shall develop specific management plans for the following circumstances:

- **Indigenous peoples.** Anglo American recognises and respects the special rights and status of indigenous peoples. Operations shall develop a formal plan for interactions with any communities of Indigenous People impacted or potentially impacted by their activities. Plans shall, as a minimum, meet the requirements set out in the International Finance Corporation's (IFC) Performance Standard Number 7 on Indigenous Peoples⁽¹⁰⁾.
- **Cultural heritage.** Anglo American seeks to protect and, where possible, enhance the value of the cultural heritage of associated communities. Anglo also seeks to ensure that benefits arising from the use of cultural heritage for Anglo's business purposes, e.g. in environmental baseline studies, are equitably shared. The management of cultural heritage must meet or exceed the requirements set out in IFC Performance Standard Number 8 on Cultural Heritage.



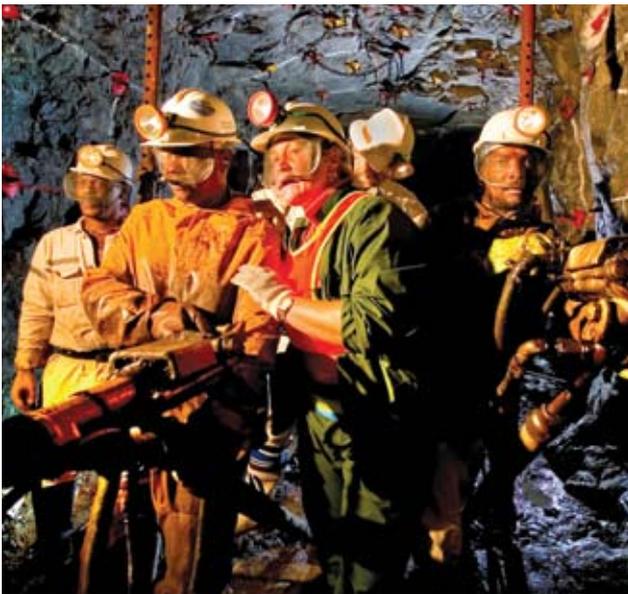
- **Resettlement.** If poorly executed, resettlements can lead to operational disruption and reputational damage to Anglo as well as to conflict and damage to the social structures and livelihoods of the affected community. All resettlement exercises must be properly resourced and meet or exceed the requirements set out in IFC Performance Standard Number 5 on Land Acquisition

and Involuntary Resettlement. Given the perceived power of a company as large as Anglo, all resettlements must be planned as if they are involuntary. Resettlements should lead to a demonstrable improvement in the livelihoods of affected households. To ensure proper oversight of significant or potentially controversial resettlements, a steering group, including suitably qualified and experienced persons, shall be established. Group Government and Social Affairs must be invited to nominate a representative for all such Steering Groups. A Resettlement Action Plan and a participative economic development strategy must be developed for all resettlements and must be signed off by Group Government and Social Affairs. All resettlements must be subject to on-going monitoring and, three years after completion, an independent evaluation.

- **Mergers and acquisitions activity.** Social issues shall be considered as a part of due diligence to be undertaken before deal closure for any mergers and acquisitions activity. Risks, impacts and opportunities must be identified and reported upon, and required management measures must be identified and costed in consultation with Group Government and Social Affairs.
- **Benefit sharing agreements.** Some Anglo American operations have found it necessary or desirable to implement formal benefit sharing agreements with host communities, including community trusts, equity stakes or other financial and non-financial commitments to host communities. The development of these agreements is complex, can have unintended consequences and may set precedents (intentionally or otherwise) for other Anglo American operations. Therefore, all plans and negotiations with respect to formalised benefit sharing agreements shall be discussed with Group Government and Social Affairs and, where this is proportionate to the issues involved, approved by the Anglo American Executive Committee.
- **Migrant employees.** Migrant colleagues should at all times be treated fairly and should not be subject to any form of discrimination, including during recruitment, training, employment or termination of employment (for whatever reason, including retirement, retrenchment or dismissals arising from disciplinary

⁽¹⁰⁾ As published in February 2006. Refer to Tool 4G of SEAT for further guidance on managing relationships with Indigenous Peoples.

procedures). Steps should be taken to ensure that they and, where appropriate, their dependents have access to appropriate housing, healthcare, education, places of worship and other essential services in the vicinity of the operation. Adequate time off should be allowed to facilitate trips to home areas on at least an annual basis and in cases of family emergency. If migrant employees cannot communicate in the working language of the operation then language training should be provided and key policies, procedures and entitlements should be explained in an appropriate language.



Where there is no established Anglo American policy or standard, the IFC Environmental and Social Performance Standards⁽¹¹⁾ shall be taken as a basis for management planning. Other Performance Standards will be developed as appropriate to meet operational needs or stakeholder expectations.

Monitoring, Audits and Reviews

In relation to monitoring and measurement, evaluation of compliance, corrective and preventative actions, control of records and internal audits, each Anglo American managed operation shall:

- Ensure that executives and managers develop a formal process to recognise, reinforce and reward desired social outcomes.
- Ensure that systems, procedures and work practices are formally reviewed following a legal non-conformance or a Moderate or Serious social incident to ensure that they prevent a recurrence and continue to be applicable, relevant and effective in controlling the aspects and impacts for which they were developed. Lessons learned must be shared across Anglo in an effective manner.
- Ensure that the possible impact of proposed corrective and preventive actions is reviewed prior to implementation to understand the consequences of such actions, in order to mitigate or prevent negative impacts and to enhance positive impacts. These actions must be documented, communicated, tracked and closed out.

Social Management System Review

Each Anglo American managed operation shall perform a Management Review of its Social Management System and plan at least annually. This should be reflected in annual Community Engagement Plans which are mandatory for all significant operations.

For sites that are not required to implement CEPs, the Management Review shall meet the requirements prescribed in the ISO 14001 Standard for Management Review.

(11) As published in February 2006.

Glossary of Key Terms

Accountability. A responsibility to account for and / or explain actions undertaken. “Public accountability” is where an organisation makes itself answerable to relevant stakeholders for a decision (e.g. on policy or a project).

Associated communities. Communities which are in some way affected by Anglo operations, including neighbouring and nearby communities, communities affected by transport operations and communities from which significant numbers of our workforce are drawn.

Associated facilities. Facilities that are not funded as part of the project (funding may be provided separately by Anglo American, the government and / or other parties), but whose viability and existence depend exclusively on the project and whose goods or services are essential for the successful operation of the project.

Benefit sharing agreement. A formal agreement entered into by a business unit or operation, either voluntarily or in response to a regulatory or other need, which has the objective of delivering a specified level of benefit to host or other communities. Benefits may include, for example: defined financial contributions; equity stakes; actual or de facto taxes or royalties; and binding or non-binding targets for employment, procurement and / or training and education.

Cultural heritage. Cultural heritage refers to sites, customs or knowledge with archaeological, paleontological, historical, cultural, artistic or religious value.

Engagement. Process of interacting with stakeholders to produce better decisions / outcomes. The level of engagement may increase in level, as follows: inform, consult, involve, collaborate, empower.

“Good Citizenship: Our Business Principles”. The framework of ethical, social, environmental and business conduct standards adopted by the Anglo American plc Board. The Anglo Good Citizenship Business Principles provide the underpinning for the Group’s interactions with society, and form the basis of a Letter of Assurance compliance process.

Human rights. Human rights refer to the basic rights and freedoms to which all humans are entitled. Examples include civil and political rights such as the right to: life and liberty; religious freedom; property; freedom of expression; and equality before the law. More recently, common definitions of human rights have expanded to include social, cultural and economic rights such as: children’s rights; gender rights;

reproductive rights; the right to maintain one’s own culture; the right to adequate nutrition; the right to a fairly paid job; and the right to education.

Impact. Changes attributable to a project, programme, policy or process. Impacts (also referred to as effects) may be planned or unplanned; positive or negative; achieved immediately or only after some time; direct or indirect and sustainable or unsustainable.

Incident. Any event, including stakeholder complaints and grievances, which has potential to lead to a negative impact on stakeholders, which involves a breach of Anglo’s policies and standards (including those set out in the Anglo Social Way) and which has the potential to negatively impact the reputation of Anglo American or any its operations and divisions. Incidents are to be categorised into three levels according to the table.

Key performance indicators (KPIs). A set of largely numerical criteria that relate to specific issues associated with an operation (e.g. stakeholder consultation). These criteria (e.g. number of community meetings per year) are used to measure performance on the identified issue, over a period of time. See Tool 6A of SEAT for further guidance on KPIs.

Labour sending areas. Area from which migrant employees come (see migrant workers below).

Management and monitoring plan. A plan which allows managers to measure impacts over a period of time and specify activities that will be implemented over a certain time period to manage or enhance impacts.

Migrant workers. Workers who have moved from another area to work at your project or operation. Migrants can be from neighbouring regions, or even from other countries. Migrants will either have moved their home (and possibly their family) to an area near their place of work, or reside in accommodation away from their family homes during their periods of work.

Mitigation. Measures to prevent / eliminate, reduce / minimise, remediate / repair or compensate adverse impacts.

Monitoring. The collection and analysis of financial and non-financial information on a regular basis in order to check a project’s performance compared with its stated objectives, budget and work plan. Monitoring is normally concerned with inputs, activities and outputs.

<i>Minor Social Incident. An incident related to Anglo American that:</i>	
	(a) results, or could result in, a stakeholder complaint that is isolated within an annual reporting period;
and / or	(b) produces significant negative publicity that is local or regional in nature;
and / or	(c) results in a breach of Anglo policies or standards which is short-term in nature and which is quickly reversible (under one month) with or without significant intervention;
and	(d) which involves no injury or health impacts to any member of the public.
<i>Moderate Social Incident. An incident related to Anglo American that:</i>	
	(a) results in multiple stakeholder complaints that are widespread or repeated within an annual reporting period;
and / or	(b) produces significant negative publicity that is national in nature;
and / or	(c) results in a breach of Anglo policies or standards which is has medium- to long-term (over a month) impacts and which is reversible with or without significant intervention;
and / or	(d) results in actions by stakeholders or employees / contractors which break the law, or which lead to a serious disturbance requiring the attention of private or public security forces;
and / or	(e) involves minor or moderate injuries or health impacts to members of the public as a result of operational, security or other actions by Anglo staff or contractors, or as a result of actions by state security forces during an incident specifically related to Anglo;
and / or	(f) involves one or more injuries (of any severity) or fatalities to members of the public, but which does not have any direct involvement by Anglo employees or contractors acting in an official capacity on behalf of the company, and which could be perceived to be related to Anglo.
<i>Serious Social Incident. An incident related to Anglo American that:</i>	
	(a) produces significant negative publicity that is international in nature;
and / or	(b) results in a breach of Anglo policies or standards which is non-reversible;
and / or	(c) involves one or more serious injuries or fatalities to members of the public as a result of operational, security or other actions by Anglo staff or contractors, or as a result of actions by state security forces during an incident specifically related to Anglo.

Project lifecycle. The complete lifecycle typically comprises exploration, evaluation, implementation, operational, decommissioning, closure and post closure stages.

Qualified and experienced person. Person who is competent to perform the required task(s), as determined by local accreditation, where it exists, and/or their qualifications and track-record.

Social investment. Contributions (monetary, staff time or gifts in kind) that bring benefits to communities over and above an operation's core activities.

Social licence to operate. A concept used to describe the importance of having broad-based community consent for major projects. The social licence to operate concept is normally seen as being additional to the need to secure formal licences, planning permissions and permits from government agencies. Failing to address community concerns and hence losing community support (the licence to operate)

has resulted in severe disruption to, or closure of, many large investment projects, including in the mining industry.

Stakeholders. Interested or affected parties, including: neighbouring communities and businesses; local, regional and national governments (i.e. the authorities); employees, contractors, and suppliers; Non-governmental Organisations (NGOs) and Community-based Organisations (CBOs); media groups; other Anglo American operations and Anglo American Corporate.

Zone of influence. A project's zone of influence encompasses:

- the footprint(s) of the facilities that the project and its contractors develop or control;
- the footprint(s) of associated facilities;
- the extent of impacts up to the point where they are insignificant/ undetectable; and
- areas potentially affected by induced or cumulative impacts.

Notes

Notes



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