



Anglo American's socio economic assessment toolkit (SEAT)

When it comes to engaging with host communities, even the best intentions can go awry without a robust process. Anglo American's award winning Socio-Economic Assessment Toolbox (SEAT) provides a structured way to work with our neighbours to improve their well-being.

Anglo American's Socio-Economic Assessment Toolbox (SEAT) provides a disciplined and highly-effective way of engaging with local communities to address concerns and improve local development impacts.

Key steps include:

- Profiling our operations and the host community
- Engaging with the full range of local stakeholders
- Identifying the impacts of our operation – both positive and negative – and the community's key socio-economic development issues
- Developing a management plan to mitigate negative aspects of our presence, maximise the benefits and work with communities to address some of the broader development challenges they face – irrespective of Anglo American's presence
- Producing a report in conjunction with stakeholders that forms the basis for ongoing engagement with, and support for, the host community

Since the launch of SEAT in 2003, we have deployed this process at more than 50 Anglo American operations in 16 countries. This has led to support for a range of initiatives including education, training and local enterprise development. SEAT has also improved management of social issues such as housing, transport, HIV/AIDS and recruitment.

An updated version of SEAT now provides even greater focus on supporting community development initiatives.

Case study: Listening – and acting – in Brazil

Using Anglo American's socio-economic assessment toolbox (SEAT) has opened up new channels of communication with stakeholder communities in the Brazilian state of Goias.

There, where two Anglo divisions mine and produce ferromanganese and fertilizers, some 2,500 people count on Anglo American for their livelihoods as either employees or contractors.

To get a better idea of their perceptions and concerns, the Anglo American operations held 300 interviews, meetings and focus groups. The consultation process delivered some unexpected outcomes.

For example, there were concerns that plans for a new facility would jeopardise existing jobs. This was a problem that was easy to resolve through improved communications, since the new plant would be built to complement facilities already in operation.

Other issues, focusing on education, health and employment for spouses, have triggered work on investment plans and partnerships with local government and another mining company working in the region.

Meanwhile, according to Anglo Brazil's Sustainable Development Manager, 'simply running the consultation exercise improved our reputation among local people'.

Case study: Starting as we mean to go on at Isibonelo

Anglo American's socio-economic assessment toolbox (SEAT), most often used to help operating mines manage their impacts on stakeholders and communities, is also highly effective in launching a new project.

At the start of the Isibonelo opencast colliery project near Kriel, South Africa, for example, we identified and consulted with interested parties from the outset. These included unions, farmers, representatives from local, regional and national governments, non-governmental organisations, contractors and employees.

One of the main issues that came out of the consultation process was the need to preserve the biodiversity of the area. In particular, stakeholder dialogues raised questions about the impact of coal extraction on nearby wetlands. Responding to these concerns, we incorporated an emphasis on biodiversity into the mine's environmental management system at the earliest stages. As a result, Isibonelo instituted a plan to remove wetland plants along with the site's topsoil, and carefully store this vegetation for replanting as part of the site rehabilitation or at other nearby wetlands.

The early SEAT process also triggered other programmes at Isibonelo. These include an HIV and AIDS campaign with free anti-retroviral treatment for those who need it and a community enterprise project, in conjunction with Anglo Zimele, that is creating a new, sustainable source of employment in the cultivation of chrysanthemums for the international market.

Case study: SEAT strengthens Anglo's community engagement

Anglo Coal's New Denmark Colliery in the Lekwa Municipality of South Africa is well aware of the concerns of its local community. The same applies to the company's recently opened Isibonelo Colliery, also in South Africa, where key stakeholders have been identified and given the chance to have their say. Both facilities have taken part in Anglo American's Socio-Economic Assessment Toolbox (SEAT) process which was launched in 2004 and is now being applied at all Anglo's significant sites.

SEAT is designed to improve the management of socio-economic impacts at existing sites, many of which may have lives of 30 years or more. According to Anglo chairman Sir Mark Moody-Stuart SEAT is very definitely not "window dressing". At a community level, he says "the process is making a big difference in ensuring that our operations have a sound

understanding of the concerns and priorities of the communities around them.” A further endorsement of SEAT is that it is now being studied by leading business schools and is described in One World Trust’s 2006 Global Accountability Report as “the best social and environmental impact evaluation tool” in use in the business world.

Key stages of the SEAT process include an operation assessing its activities, engagement with key stakeholders and the development of effective management responses. The New Denmark Colliery SEAT report includes, for example, the HIV/AIDS infection rate within the workforce and the percentage of projects that have received assistance from the colliery. The Isibonelo Colliery report identifies a number of community social initiatives, ranging from free testing and counselling under an HIV/AIDS program to wetland rehabilitation and horticulture.

By May this year SEAT had been used at 52 Anglo American sites in 16 countries. Reflecting the findings of the first 50 or so studies, a revised version of the manual will be launched in 2007 to include more detailed guidance and new tools on how to manage relationships in areas such as emergency planning and implementing a more ambitious range of community development initiatives.