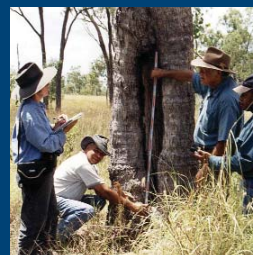


# Good Neighbours Our work with communities Anglo American plc



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Anglo American plc, with its subsidiaries, joint ventures and associates, is a global leader in the mining and natural resource sectors. It has significant and focused interests in gold, platinum, diamonds, coal, base and ferrous metals, industrial minerals and forest products, as well as financial and technical strength.

The Group is geographically diverse, with operations and developments in Africa, Europe, South and North America and Australasia.

Anglo American represents a powerful world of resources.

Throughout this report, values are expressed in US dollars using the currency sign \$.



Tony Trahar, Chief Executive Officer

Ensuring good relations between our operations and those communities that are affected by them is a key business priority for Anglo American. Prosperous and stable communities will support the success of our businesses.

Many of our operations, whether they be mines, quarries, forests, paper and packaging plants or steel businesses, have a substantial impact on the lives of those around them. In most respects, this impact is positive – jobs, enhanced skills, tax revenues, small business development, improved infrastructure and higher standards of living.

We have worked hard to minimise our environmental impacts. That process continues, including through projects like that at Anglo Platinum's Waterval smelter in South Africa, which will reduce sulphur dioxide (SO<sub>2</sub>) emissions by 85%, and Tarmac's new cement plant at Buxton in the United Kingdom, which will secure reductions in particulates and SO<sub>2</sub> emissions of 70% and 60% respectively. We are

also learning how best to mitigate any adverse impacts which mining may have on fragile or disadvantaged communities such as indigenous groups and to move forward on the basis of respect and dialogue.

The sustainable development agenda is fundamental to our industry's acceptability and to our licence to operate. Engagement with our principal stakeholders, and especially local communities, is an essential part of this process. Our operations must be mindful of their impacts throughout their existence. They should have in place mechanisms for continuing consultation and engagement, maximising beneficial impacts and minimising adverse effects, and for ensuring that eventual closure is, as far as is practicable, well planned in concert with other local and regional development participants.

There is a view that mining is intrinsically unsustainable because it involves the extraction of non-renewable resources. Of course, metals and wood fibres can be recycled for re-use. But, more broadly, by using the triple bottom line (socially beneficial, economically viable and environmentally responsible) approach to activities, the exploitation of natural resources can be sustainable, particularly where this maximises positive economic and social effects.

We believe, for example, that when combined with good governance the natural resources industry has a major part to play in stimulating development and poverty alleviation in developing countries.

Earlier this year, we published *Good Citizenship: Our Business Principles*. We were also enthusiastic participants in the Global Mining Initiative conference in Toronto, Canada in May 2002. These two events reinforced, for us, the central importance of community relationships. To that end, Anglo American has made a number of key commitments including:

- We will make social and ethical considerations an integral part of our investment decisions
- We will seek to implement the principles enshrined in the Universal Declaration on Human Rights. Where it lies within our power to do so, we will seek to promote the observance of human rights in the countries where we operate and to make representations on behalf of affected communities associated with our operations
- We will seek to enhance the capabilities of the communities of which we are a part and will seek regular engagement about issues which may affect them

- We will seek to maximise the contribution that our operations make to local social and economic development and to report on it.

There is much still to learn and further improvements which we can make. We aim increasingly to create partnerships at a local level with national and local governments, non-governmental organisations and other developmental players to deliver what none of us can achieve alone.

We are proud of what many of our operations are already achieving. In South Africa, the Anglo American Chairman's Fund provides a benchmark for others in the field of social investment. Our enterprise development and empowerment unit, Zimele (derived from the Zulu and Xhosa words meaning 'to be independent'), has developed a leading-edge approach to the stimulation of small and medium-sized enterprises (SMEs) (refer pages 24 – 25). In the sphere of forest products, Mondi is the largest operator in the southern hemisphere to have Forest Stewardship Council accreditation.

In other parts of the world and, in particular, in our work at Boyongan in the Philippines or Lisheen in Ireland (see pages 9 and 15 respectively), I believe we have examples of a world-class approach to community engagement.

This report, featuring some 40 short case studies, from 15 countries, is intended to convey the key elements of our approach to local communities from the exploration and project development phases through to planning for closure. It is intended to spread best practice among our employees, and to show external stakeholders the standards to which we aspire at all our operations. Not every one of the case studies featured is at the cutting edge, but what we have sought to do is to give a good overview of our practices and policies world-wide. I hope that you find it an interesting and useful publication.



A J Trahar  
26 August 2002

# Communities: our guiding principles



We aim to promote strong relationships with, and enhance the capacities of, the communities of which we are a part. We will seek regular engagement about issues that may affect them. Our support for community projects will reflect the priorities of local people, sustainability and cost-effectiveness

Rustplaat's community representative Themba Mafiyeka raises the silver plated shovel in celebration at the official handing over by Mondi of ownership of land to the community in Piet Retief for development

This report explains Anglo American's approach to one of our major stakeholders – the communities associated with our operations. It briefly considers the main issues raised at each stage of an operation's development – in the case of a mine from exploration, through project evaluation and development, through to maturity and, ultimately, closure.

This chapter sets out the key provisions of *Good Citizenship: Our Business Principles*, published earlier in 2002, as they apply to communities and briefly describes how we are seeking to give them effect.

**'We aim to promote strong relationships with, and enhance the capacities of, the communities of which we are a part. We will seek regular engagement about issues which may affect them. Our support for community projects will reflect the priorities of local people, sustainability and cost-effectiveness.'**

We see corporate responsibility as being about the responsible management of the company's overall effect on society, including its role as an investor and employer. A business's biggest impact arises out of the way in which it manages its core operations – behaving with integrity, treating employees with respect and investing in their development, using procurement creatively and minimising adverse environmental effects and dislocation to surrounding communities.

Each significant Anglo American operation will have a rolling three-year Community Engagement plan in place by the end of 2002. The purpose of establishing such a structure is to ensure that each operation has clear objectives for the management and resourcing of its relations with local stakeholders, has an appropriate framework for such engagement – of which the Community Liaison Committees or Forums developed by our Australian operations (page 17) provide one effective model – and a rigorous approach to cost-effectiveness and sustainability in relation to the community projects which they support. These Community Engagement plans will be updated annually and should provide a focus for continuing discussion with key local groups.

We have produced, for our operations, a set of guidelines on best practice in relation to communities (see page 36) to underpin our Community Engagement plans. These will, in due course, evolve to provide a framework for helping managers to maximise the sustainability of their operations.

In 2001, Anglo American and its subsidiaries donated over \$20 million for charitable purposes and to community projects, in addition to staff time and other help in kind. Especially in developing countries, large-scale natural resource operations frequently find

themselves drawn into the provision of, or support for, health, education and a range of social services. But it is clear that companies acting alone cannot effectively tackle major health issues such as the HIV/AIDS epidemic in sub-Saharan Africa (refer pages 20 – 22). Co-operation and partnerships with local government and community groups are vital elements in the success of any such programmes. Each brings different strengths to bear, but in the debates about how to achieve sustainable development it has become clear that traditional demarcations have to be rethought.

Each operation seeks to avoid negative impacts on the local environment, to reduce noise and dust and to minimise resource use. We share the local environment with surrounding communities and we acknowledge a duty of good stewardship.

As part of our long-standing commitment to enhancing the capacities of the communities associated with Anglo American operations, we encourage our employees to use their expertise and energy to help solve local problems.



To promote this partnership approach, we are one of the global sponsors of a new campaign, Engage, designed to maximise corporate involvement with communities through employee volunteering.

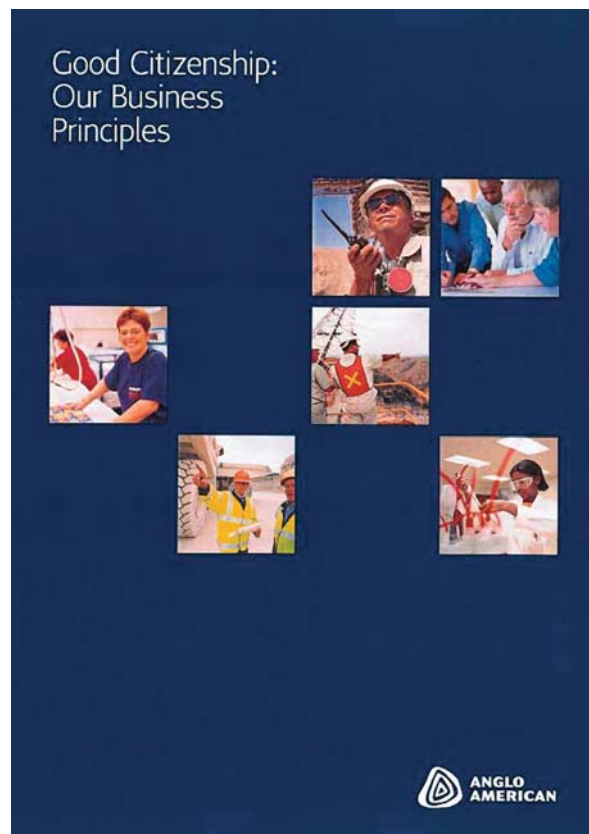
The Engage campaign is being co-ordinated by the International Business Leaders Forum. We believe that involvement in community projects provides value to our workforce in team building and in broadening perspectives. It also makes clear that we do not see ourselves as an entity that stands apart from the community.

**'We will increasingly seek to assess the contribution our operations make to local social and economic development and to report on it.'**

When Anglo American considers the development of a new project, it undertakes an assessment of the environmental and social impacts of its proposed investment. This process is best illustrated by the Gamsberg project case study (page 14). The project is on hold at present, until its commercial prospects improve.

The methodology for environmental and social impact assessments at potential new operations is well-established. Anglo American is also committed increasingly to seeking to measure and manage the impacts, positive and negative, of its mature operations. Thus, during 2002, we are undertaking a number of pilot studies to develop and test a flexible methodology to enable each operation to evaluate its contribution to the local economy, the state of human capital in the vicinity, and how eventual closure should be managed. We intend that these assessments should become a key sustainability tool by helping managers to evaluate and understand their existing impacts, to maximise positive effects and to set targets for improvement.

Over the next two years Anglo American intends to move towards a Group-wide report on its environmental, social and economic impacts. This will be based on our existing Safety, Health and Environment report and be structured around the key provisions of *Good Citizenship: Our Business Principles*.



**'We respect human dignity and the rights of individuals and of the communities associated with our operations. We seek to make a contribution to the economic, social and educational well-being of these communities, including through local business development and providing opportunities for workers from disadvantaged backgrounds.'**

As part of our commitment to sustainability, Anglo American has developed considerable expertise in the creative use of outsourcing to

generate stand-alone businesses. We have active development programmes for small and medium-sized enterprises (SMEs) associated with our operations in a number of countries, including South Africa and Colombia and intend to spread this knowledge across our Group.


In South Africa, the expertise for this comes from Zimele. The objective of this Anglo American black economic empowerment and SME unit is to create sustainable, commercially viable businesses driven by people with passion and entrepreneurial spirit. Zimele assists companies with the potential for success to access outsourcing opportunities from the Anglo American Group. It takes a transitional minority stake and makes available management and specialist expertise (such as advice on tax and legal issues). As at May 2002, Zimele was invested in 21 companies with 1,234 employees, and in total over 70 companies have been created.

The company gives strong support to improving education. This figures high on the priorities of the Anglo American Chairman's Funds in South Africa and Zimbabwe. Anglo American funds a large number of scholarships and bursaries across the world to support students through further and higher education.

**'We believe we have the right and the responsibility to make our positions known to governments on any matters which affect our employees, stakeholders, customers or the communities associated with our operations. While the primary responsibility for the protection of human rights lies with governments and international organisations, where it is within our power to do so we will seek to promote the observance of human rights in the countries where we operate.'**

We have an absolute responsibility to uphold human rights within our operations on issues like safety and non-discrimination. Beyond the perimeter fence we oppose corruption, respect the local environment and seek to ensure that our security arrangements do not lead to abuses against local people. At a national level, we recognise that as an investor we may be able to exercise some influence. Although we will not take upon ourselves the role of campaigner, we will not stand idly by if the human rights of a local community are being abused in the vicinity of our operations. Our response will range from making direct and private representations to the host government, to collaborating with peer group companies, working with our home government or international organisations to influence the host government or, as a last resort, public criticism.

Investments in extractive projects typically involve long time-scales, and political conditions may deteriorate unexpectedly. But, in all circumstances, we will uphold Anglo American's values within our zone of influence and seek to ensure that conditions are better for local people through the company's presence.

A large yellow drilling rig is positioned in a dense tropical forest. The rig is a tall, lattice-structured tower with various mechanical components and a horizontal arm extending from the side. The background is filled with tall palm trees and lush green foliage. The ground is dirt and appears to be a construction or drilling site.

Exploration geologists are at the front of the mining cycle. The nature of their tasks demands that they establish the initial face-to-face contact between the company and local communities and establish personal relationships with local landowners and the civic and traditional leaders

Exploration drilling at Boyongan in the Surigao district of the Philippines

As ambassadors for the company, exploration geologists bear an important responsibility for setting the tone for the future engagements between the company and the community. This includes establishing mutual understanding, engaging constructively with the community, understanding their issues and concerns, and showing a respect for local customs and traditions. It is equally important that the geologists and their teams develop a cultural awareness, and that they relay the community's concerns back to the company.

Whilst the funds available during an exploration programme are limited, opportunities to contribute to the welfare of local communities are followed where possible. In some cases short-term employment opportunities arise, and local infrastructure benefits from the presence of the exploration team, such as in sinking a borehole, improving a road or donating materials to local schools. More important, though, is the opportunity for the company, through the exploration team, to establish a dialogue with the community. It is here that the company can present itself and demonstrate its values of integrity, respect and openness.

Most exploration projects do not result in the discovery of a mineral deposit and will rarely progress towards a developed mine. It is important for the exploration team to present a balanced view to the community and not to promote unrealistic expectations.

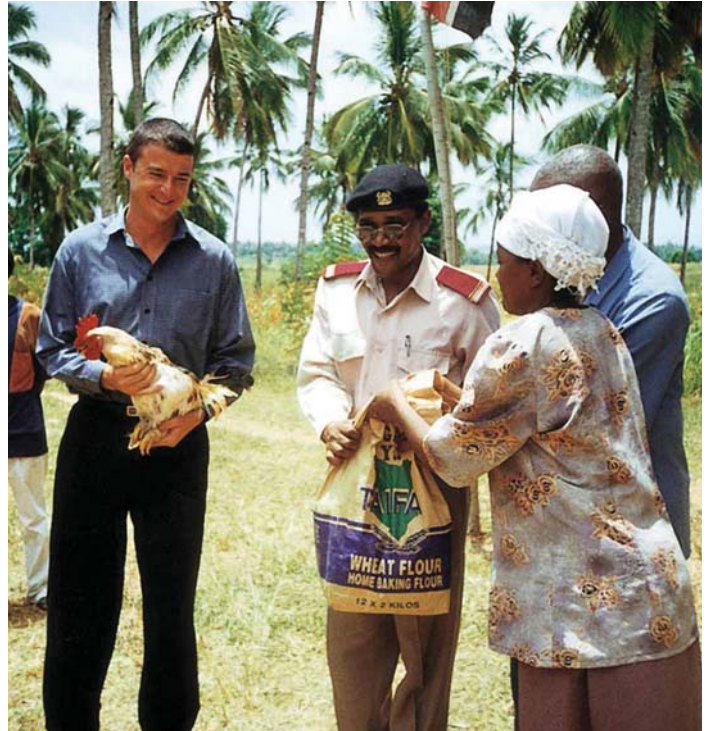
As happy and well-informed neighbours, local communities provide a support network that can mean the difference between the success and failure of a project. Wherever possible, we seek to proceed on the basis of their informed consent.

Apart from meeting regularly with community leaders to understand their concerns, project managers have on many occasions provided practical assistance to communities in need. This form of engagement cements relationships, improves communication, provides an effective community-based security network and assists in sustaining the basic infrastructure of needy communities.

The studies below reflect a variety of community projects undertaken in various parts of the world.

the Sabaki river in the north and involved interaction with several different tribal communities.

Early in the exploration programme emphasis was placed on cementing good relationships with the local communities. As land is a very sensitive issue in Kenya it is prudent to keep all parties informed of the nature of activities being undertaken. There are many traditions and taboos that have to be observed, most importantly in relation to the kayas or sacred forests, which are off-limits to exploration.



Dave Underwood, at that time Anglo American's exploration manager in Kenya, and district officer Peter Kimanathi receive gifts following the presentation of school desks to the Chieferi primary school in the Kilifi district of Kenya

During the course of exploration the team set up several tented camps as temporary operation centres, often a long way off the beaten track, and the hospitality and goodwill extended to them by the local communities was always remarkable. The Anglo American team shared scarce water and food resources with and drew labour from the surrounding villages. Local traditional chiefs were supportive and called meetings to allow the prospecting team to engage in dialogue with the communities regarding its activities in the area.

In consultation with the villagers, the Anglo American team agreed that upliftment of local schools would ensure that the entire community would benefit from any donation made. Four primary schools were selected in areas where the prospecting camps had been, and their needs were canvassed. As a result, school desks and textbooks were purchased and donated in February 2001.

## Africa

### Prospecting in Kenya

Anglo American carried out 18 months of exploration for base metals in the coastal province of Kenya. The exploration covered three licensed areas stretching 140 kilometres from Kwale in the South to

# Asia

## Community development programme flourishes in Boyongan, Philippines

Anglo American's exploration programme in the Surigao District is conducted under a Joint Venture Agreement (JV) with Philex Gold. Anglo American manages and solely funds the exploration programme, which is focused on the search for major copper-gold porphyry deposits. Diamond drilling at Boyongan commenced in May 2000, and significant copper-gold mineralisation was discovered in August 2000. Drilling is continuing to define and upgrade the resource.



Tubod community leaders in the Philippines visit Baguio for a tour of the mining operations

Recognition of the significance of the discovery led immediately to the implementation of an Environment and Community Development Programme (ECDP) for the project. An independent environmental baseline and water quality survey of the project area was completed in September 2000 and is updated on an annual basis. A community liaison programme commenced in August 2000 with community workers seconded from Philex's community relations department (COMREL) immersing themselves in the host communities to live amongst the local residents. The aim of the immersion was to introduce the JV as an environmentally and socially responsible operating company and an intensive Information, Education and Communication campaign was conducted.

Social development and environmental management principles were discussed with the municipal and regional officials, people's organisations, sectoral groups, religious groups and community members through formal and informal meetings, focused group discussions and house-to-house visits. The community trips to Philex's mine in Baguio were also a major factor in convincing local people

about the JV's environmental and social commitments. The ECDP is based on the principle of community partnership-building. This is achieved through community initiatives as well as through the implementation of environmental and social development projects. The goal is to ensure the community realises its potential for self-development through collective efforts and to reduce the risk of creating an unhealthy level of dependence on the potential mine.



Local residents are consulted about the social development policies of the Boyongan joint venture between Anglo American and Philex

The environmental and community development projects focus on the improvement of basic social services, small business development programmes, and the re-greening of the project area. Small business projects implemented to date include the establishment of vegetable nurseries and gardens in communal and private properties, the dispersal of livestock for breeding purposes and the establishment of small-scale trading for people's organisations. Infrastructure projects include the improvement of the community's water supply system, the repair of public buildings and schools and maintenance of the main access road. Educational assistance has included an elementary scholarship programme for the poorest families in the community, the donation of computers to schools and a computer literacy programme conducted for the teachers. The JV's tree nursery serves as a source of seedlings for the municipality's tree planting projects. The JV also actively participates in community-initiated activities and regularly contributes various kinds of assistance.

The implementation of a focused ECDP has been instrumental in transforming the negative view that the communities initially held towards mining projects to a more favourable one. As a result, the Boyongan project enjoys the support of the local government units and the general community.

In November 2001, the JV was awarded the Presidential Mineral Industry Environmental Platinum Award for excellence in community liaison and development work and environmentally sound practice at the Boyongan project.

### Working with Indian villagers

Anglo American is exploring for base metals in India and the exploration personnel interact closely with the local villagers, some of whom are employed on a temporary basis to assist in the prospecting operations. They receive training in safe operating procedures and in taking care of the environment.

In consultation with the community at Hinta village, the provision of water was established as a priority and the Anglo American team drilled a borehole and installed a water pump.



Anglo American exploration personnel distribute blankets, tarpaulins and food to the earthquake victims in Moh Mai Ka Mora village near Chobari in Gujarat, India

In January 2001, an earthquake measuring 7.9 on the Richter scale devastated parts of Gujarat state. The Anglo American exploration staff, based some 200 miles to the north of the affected area, supplied and transported blankets, tarpaulins, flashlights, medicines and foods to assist the victims. The company is currently involved in rebuilding two village schools.

## Australia

### Albany Project landowner liaison

Anglo American Exploration (Australia) (AAEA) commenced fieldwork for proterozoic sedimentary zinc mineralisation in the Albany project in southwest Western Australia in 1999. The project comprised some 3,600 km<sup>2</sup> of exploration licences covering several hundred individual

farming properties in a long-established active agricultural district where the main activities are crop-growing, sheep and cattle grazing, and tree plantations.

One of the principal logistical issues to be tackled was how best to conduct regional surface geochemical sampling in a district where there are hundreds of small freehold landowners each with the power of veto over exploration and mining. Whilst there was no pervasive anti-mining sentiment, most landowners were very cautious when approached by a mining company.

As part of a concerted effort to interact with the local farming community, AAEA engaged the services of a landholder liaison officer. Discussions were held with over 220 landowners to explain AAEA's planned field activities and to gain access to freehold ground for geochemical sampling and some geophysical surveying. The concerns of landowners centred on potential damage to crops, vehicle damage on wet and boggy ground, the spread of weeds and plant diseases, and the incorrect use of gates when passing through paddocks. A printed brochure, outlining the procedure for surface geochemical sampling, was distributed to all landowners to assist in explaining the AAEA low-impact exploration process.

The interaction between the AAEA personnel and the landowners was positive and fruitful, with less than 5 out of over 220 landowners refusing access to their properties. This process of active engagement with landowners was a major contributing factor to the conduct of an efficient, cost-effective exploration programme in the Albany region.

Successful land access agreements were negotiated with 17 landowners, allowing drilling to be completed over a series of geochemical and geophysical targets. Although the drilling results proved negative, the experience gained in co-operative community relations provided a positive model for future activities in agricultural areas.

## Canada

### Hudson Bay exploration and the First Nation communities

Exploration activities have taken place in the Flin Flon region of the provinces of Manitoba and Saskatchewan since the early 1900s, and the First Nation (aboriginal) communities have been involved over the years as linecutters and members of the geophysical crews.

Hudson Bay Exploration and Development activities have been in areas far removed from the First Nation community settlements, although within their traditional trapline areas. Until only two years ago, all communications with the First Nation communities (related to work

programmes and work permits) were formally presented through the respective provincial government departments or, in the case of the Nelson House communities in Manitoba, through the Resource Management Board, on which the First Nation people hold equal representation.

In December 2001, instead of the normal written communication to the Resource Management Board, a meeting was convened for a detailed presentation and discussions about the description of the proposed exploration work, the location and dates of the programme, the personnel involved and appropriate work permits, and the environmental aspects including abandonment procedures.



The Hudson Bay Exploration and Development team meets with the Cumberland House commercial fishing community at Suggi Lake in Canada

Similar personal interaction has commenced in Saskatchewan with the Cumberland House communities, located some 100 kilometres southwest of Flin Flon. Several meetings have been held to evolve a Regional Land Use Plan. The exploration companies are working with all the affected communities to develop a master plan that will address social and environmental issues, foster proactive communications, and lay a solid foundation for continuing good relationships.

Anglo American Exploration B.V. (AAE B.V.) has been undertaking mineral exploration in northern Sweden since December 1999. Through engagement and the establishment of mutual understanding, AAE B.V. has developed a good working relationship with the Sami and other stakeholders in northern Sweden. The fundamental key-pins to this relationship are communication and respect for nature, cultures and traditions.



Sami from Kaitum settlement lead the mobilisation of the Anglo American drill equipment to Riekkö

The Riekkö drill programme undertaken during spring 2001 shows an example of AAE B.V.'s relationship with the Sami. Prior to exploration activities being undertaken at Riekkö, a meeting was held with the head of the Girjas Sami village to explain the company's proposed exploration programme and to discuss its timing to ensure that the programme would not coincide with the short period of reindeer herding. Following encouraging initial exploration results a drill programme was planned, and a subsequent follow-up meeting was held with the head of the Girjas village to explain the programme.

A request for logistical assistance in mobilising the drilling equipment was made by AAE B.V. and was received favourably by the village community. Local Sami people from the Kaitum settlement assisted the mobilisation of equipment to the initial drill site using their vast local knowledge of the district to ensure safe and environmentally responsible mobilisation and de-mobilisation from the area.

Re-supplying equipment and supplies to the camp and storage of drill cores was facilitated through Kaitum. In addition, fruitful discussions with the local Sami ensured that AAE B.V. drill casings were cut off as close to the ground as possible to prevent potential accidents with moving snowmobiles.

## Europe

### Engaging with the Sami People in Sweden

The Sami people are reindeer herders indigenous to northern Scandinavia. Numbering some 85,000 in total, approximately 20,000 Sami are in northern Sweden. They have their own culture, language and way of life in which man and nature are inseparable. The Sami people in Sweden today have their own parliament (Sametinget) based in Kiruna, but have no homeland or special land rights.

# South America

## Cerro de Pasco

Following airborne geophysical surveys in Peru, the Anglo American exploration team made contact with eight communities in the Cerro de Pasco area, some 150 kilometres northeast of Lima, to obtain permission for access to their land for drill tests. Of the eight, only one community refused access as a result of a previous bad experience with another mining company. Meetings were held first with the community leaders and then with the villagers to explain the nature of the proposed work. This entailed first-pass drill testing, normally limited to five holes or less, then second-stage drill testing, involving up to 20 holes, after which broader negotiations would be entered into regarding the possible purchase of the land, or an arrangement that would satisfy both the local community and Anglo American.

The transition from one exploration stage to the next was always accompanied by discussions with the community leaders and villagers on progress to date and the next proposed work, and a request for permission to proceed further. In accordance with the agreements reached, Anglo American used local labour during the exploration work, carried out all rehabilitation work at the drill sites, repaired fences, and donated seed for re-grassing, and paid rentals for land use where the company had conducted geophysical surveys and drilled holes.



Anglo American's top-drive drill rig at an exploration site in the Cerro de Pasco area in Peru



Anglo American policy requires that an environmental and social assessment is completed on all projects and expansions to existing operations prior to physical work commencing on site

The development of Lisheen in Ireland was characterised by extensive stakeholder engagement, including public consultation with members of the local community, non-governmental organisations and government agencies

The environmental assessment reviews the proposed project or expansion and identifies all the mechanisms that might have the potential for environmental impacts. ISO 14001 refers to these mechanisms as 'environmental aspects'. Management recommendations to reduce the significance of these aspects are then prepared, including design changes, the preparation of operational procedures and policies and the identification of specific training requirements.

With this management aspect in place, an environmental impact assessment is then undertaken. This assessment is based on the significance, duration and spatial consequences of an impact as well as the likelihood of such an impact occurring. For those impacts that are assessed as medium or high, mitigation recommendations are made. The entire assessment process is both trackable and auditable.

Usually, either on a stand-alone basis or as part of the environmental impact assessment, a social impact assessment is also undertaken. This identifies the towns and communities that will be affected by an operation. The social dynamics of each affected community are then determined, including the labour, services and infrastructure that may be available to the proposed operation. The social effects on each of the surrounding communities are then assessed, and recommendations are made for the formulation of Community Capacity Development Plans and Community Sustainability Plans for each of them. The latter plans are developed in conjunction with regional and local authorities and other relevant organisations, usually in the form of regional development plans.



The open days at Gamsberg in 2000/2001 were well-attended by the local communities as well as environmentalists and other interested parties

Extensive stakeholder consultation characterised the development of the project. Meetings were held with over 300 interested and affected parties, and the project team hosted three public open days which included visits to the proposed mine site and detailed presentations of the proposed mining development. Regular dialogue has been established with all of the main interest groups representing ecology, farming, the local communities, the regional and local authorities, and tourism.

This dialogue resulted in alterations to the layout of the proposed surface facilities, including the tailings dam and the waste rock dumps, to preserve the areas which support the greatest density and diversity of plant and animal species.

The importance of the long-term economic sustainability of the region has also been recognised. Once the go-ahead is given, during the construction phase of the mine, a task team made up of the authorities, local and regional business, miners, farmers and others will be set up to develop a strategic regional development plan aimed at the generation of sustainable wealth in the region.

Many non-core activities will be outsourced from the start, to provide local entrepreneurs with the opportunity to grow businesses that assist both mining and non-mining related businesses. It is intended that businesses that generate profit will be financially supported, and some profits will be ploughed back into new business development. The initial financial support will come from government, local businesses, the mine and aid agencies.

In order to maximise the wealth-creating possibilities in the project area, up to 70% of personnel employed during construction and for the ongoing operation will be local recruits. Plans are in place to train local

## Africa

### Gamsberg zinc project, South Africa

Gamsberg is a large, low-grade zinc deposit in the Northern Cape Province. It was discovered in 1971 and was acquired by Anglo American in 1998. A detailed feasibility study demonstrated that a viable operation could be developed to produce 300,000 tons per year of zinc. The operation would comprise an open-pit mine, concentrator and dedicated zinc refinery, all on the same site. Due to the currently depressed global economic outlook and, in particular, the heavily oversupplied zinc market, Anglo American plc has postponed the implementation of the project.

Gamsberg is in a dry and sparsely populated area with few economic prospects. With widespread poverty and unemployment rates reaching 60% in the communities around the deposit, levels of anticipation of job opportunities are high. During the construction phase it is expected that 5,000 job opportunities will be created and, once operations commence, some 1,400 people will be employed directly and indirectly.

citizens in basic construction skills ahead of the construction contractors moving onto site. The contractors will be required to recruit at least a portion of their workforces from those trained in the scheme. A training scheme for the permanent workforce is also envisaged.

Businesses in the area have been encouraged to tender for work on the Gamsberg project. To this end, work packages were formulated specifically to suit the capabilities of local companies. For example, an earth dam, which normally would be included in a large civil order, was separated so that a local contractor with limited equipment could take on the work.

A consultant has been identified for appointment on project approval to liaise with local small and medium enterprise initiatives (SMEIs) and to provide them with advice and assistance on setting up new businesses. Once the project is approved, it is intended that business opportunities will exist beyond the construction phase, as all non-core activities are to be outsourced.

Although the Gamsberg project has been postponed, the first part of the plan is being implemented and HIV/AIDS awareness and prevention programmes are being conducted in the local communities under the direction of Black Mountain Mine, an Anglo American zinc mine situated some 15 kilometres from Gamsberg.

organised to visit Outokumpu's Tara Mine, the only other mine in Ireland at the time. Information centres were established in the two local village community centres. At these, Lisheen personnel answered questions, presented detailed information on the proposed mine with the aid of photographs, models and computer simulations, and provided information on employment and other potential business opportunities at the mine. Local people showed a great deal of interest and these activities were well-attended.

The environmental baseline study had shown that over 60% of local wells had microbial contamination, so a new water scheme, with a reservoir and water treatment facility, was constructed. The mine also spent considerable resources, in co-operation with the local community, in improving the road network.

When construction commenced, this strong community interaction continued and regular meetings were held with local farmers, anglers, community groups, environmental groups and local schools. As the operational phase of the project approached, employment 'open-days' and 'open-evenings' were held to inform local people of opportunities at the mine. When the mine started production, the local community was invited to 'open-evenings' on site to visit the production areas and view the environmental monitoring activities.

Throughout the planning, construction and operational phases, every effort has been made to involve and employ people from the local community. Currently, more than 80% of Lisheen's employees live within a 10 km radius of the mine.

The local community has free access to the Public Information Centre, on the Lisheen site, which receives data from the continuous monitoring stations on discharge water quality, ambient air quality, noise and vibrations. Some 60,000 readings are analysed and reported each month to the Environmental Protection Agency.



Members of the community at the Lisheen open day in June 2000

## Europe

### Lisheen – planning for sustainability

The Lisheen zinc mine, located in the rural heartland of Ireland in an area where dairy farming and cattle rearing are the predominant occupations, is a prime example of a mine developed in a sustainable manner in close co-operation and harmony with the local community. It has been characterised, since its discovery in 1990, by its focus on community involvement and integration. Lisheen is the first mine in Ireland to be granted an integrated pollution control (IPC) licence and operates in accordance with the strict environmental standards specified in the licence.

The period 1991 to 1995 was characterised by extensive stakeholder engagement, including public consultation with members of the local community, non-governmental organisations and government agencies. Concerns were noted, investigated and addressed in the environmental impact assessment, which was published and distributed to the local community.

As Lisheen was a 'greenfield' site with no mining history in the area, every effort was made to help raise awareness and provide information to the local community during the planning phase. Weekly trips were

## Continuing engagement



There is a significant variation in the nature of relations between each operation and its surrounding communities, depending on such issues as an operation's relative economic influence in the area, its potential environmental impact, its anticipated remaining years of operation, the need for housing relocations or the existence of overlapping land rights

Programmes undertaken at Carbones del Cerrejón in Colombia include the creation of small enterprise initiatives and co-operatives, and the installation of sanitary facilities, water and electricity

Anglo American seeks always to be guided by a number of underlying principles, including:

- close interaction with local communities through consultation and the provision of regular and relevant information on developments which may impact on them
- a commitment to dialogue
- making a contribution to the economic and social development of the community
- engaging with local community members to determine priorities for community projects which an operation may support
- respect for, and sensitivity to, the needs and rights of indigenous or historically disadvantaged people; and
- a commitment to minimising adverse social or environmental impacts.

This section sets out a number of case studies of some of these principles in action.



The feasibility of using saline pit water to grow trees on rehabilitated land at Drayton Mine is the subject of a PhD thesis being carried out by Mandy Joyce (centre) from the University of New England

Anglo Coal Australia's German Creek and Moranbah North are, by contrast, located in sparsely populated areas where the local community consists largely of mine workers and their families living in mining townships that were developed in association with the mines. At these sites, there are separate processes of community engagement for the main body of mine workers and township residents, the small number of neighbouring rural property owners, and the non-resident Aboriginal traditional owners. Although there is not a Liaison Committee at these mines, each stakeholder group has access to mechanisms for discussing matters of concern – in the workplace, through regular community engagement events, through the local council, or through government regulators. Agreements being developed with Aboriginal traditional owners also include provision for dispute resolution.

## A framework for engagement

### Anglo Coal Australia's community engagement programmes

Mining and its employees form part of the fabric of the local community at Anglo Coal Australia and each mine has a tradition of community participation and support for local community projects. The company recognises that each community has different needs and realises that what works for one community may not be appropriate for another. Community relations are fostered through:

- community consultative committees/forums
- community newsletters
- open days and mine visits by school groups, regulatory bodies, regional conservation and development groups, etc.
- face-to-face meetings with neighbours, local councils, government agencies, interest group leaders, industry representatives and other relevant parties; and
- the existence of clear complaints mechanisms.

During 2001, each mine established formal community relations plans to ensure systematic management and resourcing and to provide a platform for further development of community engagement initiatives.

The Callide, Dartbrook and Drayton coal mines of Anglo Coal Australia are located in areas of moderate population density where there is a substantial local community of people other than mine workers and their families, and townships which pre-date mining. Each mine has a formal Community Liaison Committee or Forum, consisting of community and company representatives, through which any matters of concern to the community can be channelled.

## Partnership projects

When a company makes a major investment in a developing country, there are often high expectations that it will take on a significant number of social responsibilities. Sometimes these make good business sense in, for example, ensuring that an operation has access to a suitably skilled workforce or in tackling disease. Companies can contribute know-how and management expertise as well as resources in tackling local problems. However, it is important to strike a balance. Such involvement should not raise unrealistic expectations about what an enterprise can deliver outside its core business activities, nor should an unsustainable dependency be created. This is why Anglo is keen, wherever possible, to work in partnership with other major players such as national or local governments, international organisations, non-governmental organisations and community groups in seeking solutions to specific problems. This has guided our approach to involvement in the United Kingdom's Business Partners for Development project, the Business Trust in South Africa and a large number of HIV community-based initiatives.

## Anglo Platinum invests to improve community health

As part of its social investment strategy, Anglo Platinum has developed an active consultation and assessment process with the local communities and governments in the North West and Limpopo provinces of South Africa to address health issues. Key aspects identified by this process were that communities had long distances to travel to access health services, there was a high infant mortality rate owing to lack of hygiene facilities and generally poor management of societal health issues prevailed.

In partnership with the Department of Health, Anglo Platinum invested some \$2 million over a six-year period to bring health care closer to the communities surrounding its operations: 12 new primary health care clinics have been built, two fully-operated mobile clinics serve seven informal settlements around the Rustenburg operations and one mobile clinic serves 10 villages around the Potgietersrust Platinum Mines operation.

Two business objectives underpinned the decision to assist directly in health care provision via a partnership model. The first was to assist the company's own employees and their families resident in surrounding villages to gain access to health care; the second was designed to help the government in addressing the lack of infrastructure to prevent or treat diseases and infections.

The partnership with the Department of Health is based on two models:

- the company contributes to the capital development of the project with the Health Department incurring the costs of staff, medicines and equipment; and
- the company provided the mobile clinics, with the operating costs being borne by the Department of Health.

The project has developed an improved infrastructure for primary health care, created communication opportunities for information gathering and sharing on diseases, including the monitoring and management of AIDS interventions. There has been an improvement in the quality of life and stability in communities surrounding the operations, and a decrease in infant mortality. The primary health care clinics have assisted in diverting pressure on the larger health centres and hospitals. The goodwill generated by the project is indicated by the continued willingness of the relevant parties to work together and by expressions of gratitude from those to whom improved resources and assistance have made a difference.

## Lebalelo water supply scheme

Anglo Platinum played a leading role in the establishment of the \$18,5 million Lebalelo water supply scheme. This entailed the construction of a 56 km pipeline on the eastern limb of the Bushveld

Complex in Mpumalanga province in South Africa, where some of the world's largest reserves of chrome and platinum group metals are found. The pipeline carries water from the Olifants river to a series of new mines and will supply water to 86 local villages. As this region has a high concentration of unique plant species, an environmental management plan was compiled to manage the impacts. This requires that all areas disturbed by the project be rehabilitated to approximate their state prior to commencement of construction.



A group of workers sourced from the local community attend training in horticultural and land use techniques at a holding nursery for the rehabilitation of the Lebalelo water pipeline

All the unskilled and semi-skilled labour for the rehabilitation project was sourced from the local community and underwent training. Holding nurseries were established on the smallholdings of three local families, and these nurserymen are being trained in horticultural techniques and land use management for the purpose of continuing involvement in the entire rehabilitation process and to assist in educating the community in rehabilitation techniques and the cultivation of plants and trees.

## Farming and mining communities combine on the South African coalfields

Since New Denmark colliery, situated in the Highveld coalfields about 30 km north of Standerton, was commissioned more than two decades ago, it has had a close relationship with its immediate community. Although it has recently been scaled down, the mine employed more than 2,200 people at the height of its operations.

Where Standerton once was a rustic small town serving the farming community, it changed to a town where coal mining and electricity generation became the core economic activities. From the outset, community relations were important to the mine. However, the approach changed over the years from reactive necessity to proactive responsibility.

New Denmark colliery spent some \$130,000 on community investment projects in 2001. It not only contributes financially to some causes, but also assists by allocating staff to worthy community projects. Two of the most prominent projects are the Standerton Community Health Forum, which the colliery initiated in reaction to the Aids threat, and education.

New Denmark colliery and its neighbouring power station are involved in an investigation to launch an extensive sustainable development initiative. In 2001, the Council for Scientific and Industrial Research completed a research study of well over \$100,000 on the feasibility of such an initiative. A Business Summit for the Standerton area has been established, with the mine as the driving force to lend impetus to this initiative.

### Working with communities in Venezuela

At the end of 2001, Loma de Níquel received the Ecological Environmental award from the Fundación Ecoturística Educativa Artístico Cultural y Recreativa of Venezuela in acknowledgement of its commitment to the protection of the environment and its contribution to local communities through the provision of job opportunities, improved health services, construction of a school, upgrading of the roads, and the provision of improved water supplies.

Loma de Níquel personnel meet regularly with the local representatives of the closest communities of Tiara and Altagracia de la Montaña. Its community programmes include:

- re-opening of the Tiara Clinic in 1998, construction of La Esperanza Clinic in 2000, and payment of the salaries of the doctor and nurse in charge of those medical centres
- implementing a regional programme for the monitoring of epidemics
- small business initiatives in non-high technical areas like landscaping and maintenance of gardens, minor civil works maintenance and the manufacture of industrial uniforms
- training programmes and commercial contracts, co-ordinated with the local authorities and governmental institutions such as the National Institute for Educational Co-operation
- implementation of formal agreements with local authorities, neighbourhood associations, contractors and unions in order to recruit local people as the first option for non-qualified, unskilled jobs to alleviate the high unemployment rate in the communities closest to the mine
- revenue generated by the sale of scrap produced during the metallurgical process is invested in areas determined by the neighbourhood associations

- purchasing of school materials, upgrading of sport fields, providing electrical materials for the improvement of power supply in rural neighbourhoods; and
- production of a local quarterly newspaper in which the neighbours and local authorities explain their initiatives and programmes, and Loma de Níquel communicates its operations and company policies and practices.

The mine is also an active participant in events focused on environmental issues through working with regional authorities, universities and non-governmental organisations.

### A community foundation in Colombia

In Colombia, Carbones del Cerrejón, managed by Anglo Coal, established the Fundación Nuestra Señora del Pilar to support certain basic needs and projects identified by the local authorities and the communities in the towns and villages close to its operations. The Fundación's initial priorities were established on the basis of an independent study carried out by the University of the Andes. Programmes conducted by the Fundación in 31 communities around the mining operations include the training, updating and motivation of school teachers, the remodelling and construction of community homes and school dining halls, the provision of a clinic, the creation of small enterprise initiatives and co-operatives and the installation of sanitary facilities, water and electricity.

The project selection criteria crucially include the capacity of the relevant community to work with the Fundación, the existence of widespread support, a realistic and sustainable plan, and the promise of substantial community participation to complement the Fundación's investment either through other funding sources or through time and effort donated by the local people.



A community craft market in Colombia, where Carbones del Cerrejón's Fundación Nuestra Señora del Pilar supports community projects in the towns and villages close to its operations

In 2001, the Fundación had 72 active projects and disbursed some \$900,000. At the top of its agenda is a continuing programme to support the updating of local teaching skills and to improve school buildings and equipment. The scheme has already improved the teaching skills of over 1,000 teachers.

### Codemin – at the heart of its community in Brazil

When the Codemin nickel operation was established in 1982, it was instrumental in building the local school. Although it no longer plays a major role in the management of the school, it remains closely associated with it as a partial sponsor. At the request of the school, the company participates regularly in specific educational programmes.

The company is an active member of the local municipal environmental council and engages in ongoing environmental and other community programmes with the local farmers' associations and co-operatives in the surrounding areas. Environmental awareness campaigns are conducted in partnership with the municipality and government departments.



Sebastião Elias (centre back), the human resources manager at Codemin in Brazil, pays a regular visit to the local children's home which is one of the company's community projects

An annual Safety, Health and Environment week is held for employees and their families who are invited to tour the operation and to gain an understanding of the process and the product. Codemin also welcomes school tours and visits from scholarship students and research scientists.

As part of its commitment to the community in which it operates, Codemin has responded to a request from the local mayor for the construction of a theatre to provide a venue for cultural presentations and exhibitions.

Codemin also encourages its employees to become involved as volunteers in a wide variety of projects identified by the community, including the children's and old people's homes.

## The challenge of HIV/AIDS

### Pioneering anti-retroviral therapy for employees

In Anglo American's *Good Citizenship: Our Business Principles* we state:

**'We recognise the human tragedy caused by the HIV/AIDS epidemic, particularly in sub-Saharan Africa. We have a clear policy for addressing HIV/AIDS in the workplace and are committed to a comprehensive prevention strategy, linked to programmes of care for those with HIV/AIDS. We will strive to eliminate any stigma or unfair discrimination on the basis of real or perceived HIV status.'**

HIV/AIDS is one of the most significant business and humanitarian issues facing companies with operations in southern Africa. In the 1990s, Anglo American was one of the first companies to develop a comprehensive strategy to seek to minimise infection amongst its employees through prevention initiatives aimed at education and awareness, combating denial and stigma, conducting large-scale anonymous HIV prevalence surveys and the encouragement of individual voluntary counselling and testing for HIV.

Anglo American has always recognised, however, that the infection cannot be combated within the confines of an individual operation. The company has given a high priority to working with local communities on projects to:

- widen awareness
- encourage condom use, including amongst sex workers
- promote treatment of sexually transmitted diseases
- involve traditional healers in combating the epidemic; and
- create income-generating schemes that provide women, in particular, with the means to alleviate poverty.

Anglo American's pioneering work in the field of policy and advocacy on HIV/AIDS was recognised in 2001 by a Commonwealth award.

The company has also sought to provide care and support for those who are infected, through HIV 'wellness' programmes that focus on nutrition, the encouragement of healthy lifestyles and antibiotic treatments for opportunistic infections.

In August 2002, Anglo American announced its intention to enhance these 'wellness' programmes, by making anti-retroviral therapies (ART) available at company expense to HIV positive employees who have progressed to a stage of infection where ART is clinically indicated. The progressive roll-out will be co-ordinated across the Group, using available health care facilities and according to well-defined protocols with rigorous monitoring and evaluation. The pace of the roll-out will

vary at company level, depending on the availability of suitable company health infrastructure. The first steps, on a pilot basis, were signalled by the AngloGold/Union and Association agreement on HIV/AIDS signed in July 2002.



AIDS awareness training at one of the primary health care mobile clinics serving seven informal settlements around the Rustenburg Platinum operations

It is accepted internationally that the magnitude of the health challenge posed by HIV/AIDS, especially in southern Africa, is such that it cannot be adequately addressed by individual companies or even sectors acting in isolation but requires a partnership between all stakeholders.

Anglo American and its operating companies will, therefore, seek to work with national and provincial governments and local authorities, international donors such as the Global Fund, and appropriate non-governmental organisations and communities in order that the public sector capacity is created to extend ART delivery beyond the workplace to the broader community, including the dependants of employees and those retired employees who do not belong to medical aid schemes with an ART benefit.

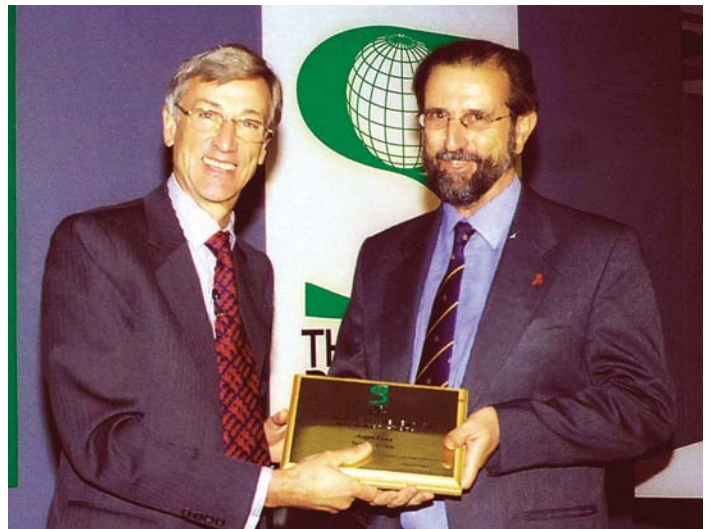
### Peer education projects, Southern Africa

Several sex worker peer education programmes supported by Anglo American represent outstanding examples of what can be achieved when partnerships are formed between industry, government and local communities. These programmes, which endeavour to reach both partners in a sexual relationship, explicitly aim to build networks and solidarity amongst vulnerable women.

In a model developed by the University of Zimbabwe's Project Support Group, peer educators work in one-on-one motivational sessions and through community meetings at bars, truck stops and other 'hot spots'. The aim is to change key sexual behaviours, including increasing condom use, and to build cohesion amongst sex workers to counteract

their clients' disproportionate power. The projects are run through AIDS committees, with diverse government, private sector and community representation.

Anglo Coal initiated such a project in the Kriel district in Mpumalanga in 1996 in conjunction with other businesses in the area, the department of health and the regional and local government authorities, and the programme has been extended to other areas through the Powerbelt HIV/AIDS project. In 1999, Anglo Coal received an award for Business Excellence in Response to AIDS from the Global Business Council on HIV/AIDS. The company was cited, in particular, for its long-standing involvement with local communities.



Anglo Coal CEO, Tony Redman, accepts the Global Business Council on HIV/AIDS award for Business Excellence in Response to HIV/AIDS from Sir Richard Sykes, at the time chairman of Glaxo Wellcome

### Mondi's landmark initiative works with local government health structures

In the Mpumalanga Lowveld, Mondi's village health worker programme is a landmark initiative in cost-effective company-supported primary health care, which also tackles poverty, one of the underlying causes of HIV/AIDS. The programme enables access by remote rural communities to primary health care through a village health worker network. The village health workers provide basic care and, most importantly, health education for the diseases which commonly cause ill health in the local communities. Prevention and early treatment reduce the need for expensive trips to doctors in the towns.

Mondi established a network of rural primary health care clinics, with referral networks to doctors. The Mpumalanga Department of Health now regards these clinics as an extension of its own services in the management of diseases of public concern. The clinics supply medication for the treatment of sexually transmitted diseases and tuberculosis and administer family planning and immunisation services.



Sister Rally Maropa (second from right) and health workers outside the Sabie primary health care clinic

The system has had a major impact on over-burdened public sector facilities, reducing their load substantially, and providing a far more accessible service to employees and their dependants.

### Social investment projects at Namakwa Sands

Namakwa Sands, on the west coast of South Africa, has worked with its communities to achieve recognition as a stakeholder and partner. Key to the wellbeing of the community is the need to address the threat of HIV and AIDS. During 2000/2001, Namakwa Sands promoted awareness amongst employees, developed an HIV/AIDS policy and conducted individual, voluntary testing in order to determine the prevalence status amongst its employees. When the results of the prevalence tests were found to be as low as 0.59%, the company, union representatives and various communications forums determined that the focus would be to adopt a strategy of zero increase in the HIV status of employees. It was also agreed that the initiative should be extended to the surrounding communities, where the reported prevalence of HIV/AIDS varied between 7% and 11%.

Namakwa Sands played a key role in the establishment, in March 2001, of the West Coast Community HIV/AIDS initiative and seven community consultative forums, born out of consultations with and fully represented by business, provincial and local government, community representatives and trade unions.

The focus of this initiative is to perform needs analyses with the local communities to identify projects, programmes and activities which will assist in addressing and managing the HIV/AIDS threat facing the communities. It also forms partnerships with the communities on the basis of helping those who are helping themselves, and links and

extends HIV/AIDS initiatives in the workplace to the surrounding communities. Programmes being undertaken in conjunction with all stakeholders include the training of community AIDS educators, distribution of condoms, Knowledge, Attitude and Practices (KAP) studies, individual voluntary HIV/AIDS counselling and testing programmes, wellness and treatment programmes for HIV-positive people, home-based care programmes, care of HIV/AIDS orphans and hospice care for the terminally ill.

## Indigenous peoples

Anglo American has a strong commitment to upholding human rights and to combating discrimination, including against historically disadvantaged groups. A number of our operations have developed schemes specifically aimed at creating opportunities for indigenous peoples. In *Good Citizenship: Our Business Principles*, we state:

**‘We recognise the sensitivities involved in addressing issues which relate to the cultural heritage of indigenous communities. We will seek to ensure that such matters are handled in a spirit of respect, trust and dialogue.’**

The scope of traditional land rights has been clarified and strengthened in a number of countries in recent years. Because the context of these rights varies so widely between countries, we believe that our approach is best governed by national legislation. However, we also seek to observe the leading sources of international best practice and, wherever we develop operations, we aim to do so on the basis of the informed consent of local communities.

### Working partnerships with Aboriginal people

Anglo Coal Australia respects the traditions and cultures of Aboriginal people. It recognises their rights and special relationship with their traditional lands. The company is committed to working in partnership and close co-operation with the Aboriginal people of the areas in which it operates, in a relationship based on respect, understanding and trust.

Anglo Coal Australia’s relationship with Aboriginal people has evolved over the past decade in the course of consultation on plans for developing new mines and managing cultural heritage values within mine lease areas.

For new mines and mine proposals, Anglo Coal Australia and the local traditional landowners have worked together to identify potential cultural heritage issues and devise appropriate cultural heritage management plans.



from left: Elizabeth Hatte (consultant archaeologist), Norman Johnston (traditional owner, Aboriginal artefacts), Frank Budby (traditional owner and elder responsible for cultural heritage) and George Tonga (field assistant) of Budbaha Services, measure one of the scarred trees found on the Moranbah North mining lease

The relationship established during the planning and cultural assessments for Dartbrook and Moranbah North in the early 1990s have been sustained by continuing consultation over cultural heritage management assessments for mine expansions, such as with the Wonnarua people in the Hunter Valley, New South Wales.

Cultural heritage management procedures for the initial development of Moranbah North mine were agreed with the Aboriginal traditional owners before mine construction commenced in 1996. Moranbah North is now developing a Cultural Heritage Management Plan for the section of its mining lease that is yet to be developed.

Through Budbaha Services, the traditional owners assisted with the development of the management plan by conducting a field survey of 2,370 hectares of Moranbah North's mining lease. The purpose of the field survey was to determine the presence and location of artefacts as the basis for development of an extended cultural heritage management plan.

Budbaha Services prepared a site plan detailing the area surveyed as well as the location of sites of significance. In addition, they provided recommendations on how to best manage the significant sites: whether to relocate the artefacts to an existing fenced enclosure or leave them in place.

In undertaking the survey, the traditional owners found numerous stone artefact scatters and some scarred trees, which are a fast diminishing aspect of Aboriginal cultural heritage – bark was removed from these trees for use as shields or as dishes to carry food.

## Anglo Coal Australia and Aboriginal People

### Our Approach to Major Resource Projects

**Anglo Coal Australia** respects the traditions and cultures of Aboriginal people. We fully recognise their rights and their special relationship with their traditional lands. Our goal is to work in partnership and close co-operation with the Aboriginal people of the areas in which we operate, in a relationship of respect, understanding and trust.

#### To achieve this goal we will:

- establish open and constructive consultation with Aboriginal people of the areas in which we operate;
- adopt consultation procedures that are developed with Aboriginal people as the foundation for achieving mutually beneficial outcomes;
- join with Aboriginal people in assessing potential cultural heritage issues relevant to our planned developments, and in devising management plans to address these issues;
- encourage and support initiatives that provide Aboriginal people with fair access to employment and business opportunities associated with our operations; and
- provide cultural awareness training for our employees who have responsibilities that could affect the cultural heritage and other interests of Aboriginal people.

We will actively promote the endorsement of this Policy by the business partners who share ownership of our businesses and by the contractors who share in their operation.

**Eric Ford**

Chief Executive Officer  
Anglo Coal Australia Pty Ltd  
ABN 93 076 059 679  
September 2001



## Resettlement

Resettlement is sometimes necessary in order to access mineral reserves or to ensure, *inter alia*, that communities are not impaired by dust or disruption caused by heavy trucks or blasting. We seek, wherever possible, to proceed through negotiation and start planning well in advance through consultation with the families affected. Often, those affected will prefer resettlement of the whole community. On other occasions, they may opt for individual compensation. In planning a resettlement, the wishes of the community are crucial. Also of importance are issues like the availability of land and ensuring that community ties and traditional income sources are not disrupted. We seek to recognise the dislocation caused to the lives of local people and to ensure that the quality of life of those resettled is enhanced. If, as a last resort, resettlement is needed, this is done in accordance with national legal processes and with regard to international best practice.

Anglo Coal Australia has developed this policy based on recognition and respect to guide its relationship with Aboriginal people

## Working together to create a better life

The Potgietersrust Platinums Limited mine, a subsidiary of Anglo Platinum, has been in operation near the town of Potgietersrust in South Africa since 1993. The current operation involves open pit mining, expected to last for approximately 50 years.

As a result of blasting activities, which led to concerns of health and 'fly rock' incidents, the Ga-Pila community made a request to Anglo Platinum that the village be relocated in its entirety to a host site selected by the community.

With a population of some 4,600, the Ga-Pila village, associated with the Mapela tribe, was situated approximately 500 m west of the open pit mining operations. The village comprised approximately 800 households and related facilities such as schools, churches and shops.

The community lived in meagre circumstances on tribal land with no formal infrastructure, apart from pre-paid metered electricity to each house. Houses ranged in size from 25 m<sup>2</sup> mud and tin shacks to one 300 m<sup>2</sup> brick house. The schools were of inferior quality and did not cater for the needs of the community.



Residents of Ga-Pila hold discussions about the new village

Negotiations commenced in 1995 between Anglo Platinum, the tribal authority and government at provincial and national level. In June 1997, agreement was reached about the way forward. Over the next few years, during which time Anglo Platinum, the tribal authority, the community and government moved the negotiations forward, technical aspects of the project were prepared in preparation for commencement of construction.

In June 2000, the Ga-Pila community body was formed and construction commenced in October 2000. The overriding vision was that of a substantial improvement in the quality of life of the Ga-Pila community on the new host site. The project would provide better living conditions for the community, and contribute significantly to the enormous task of rebuilding the country, restoring the dignity of the citizens and building capacity for the residents by focusing on the following aspects:

- maximising employment opportunities for the Ga-Pila community and other surrounding communities
- promoting small and medium enterprise with a view to creating sustainable business opportunities
- a commitment from the entire professional team to empowerment of emerging black businesses by means of Joint Venture partnerships and assistance in training individuals from the community
- Joint Ventures between established building contractors and emergent black contracting initiatives; and
- through planning and mentoring, maximise sustainable agricultural opportunities for the community.

The sustainability and growth of the village were taken into account by considering aspects such as ongoing maintenance of the village, accessibility, quality of construction and overall planning, and the provision of infrastructure such as shops, business centres, training facilities, schools and clinics.

In January 2001, the first house was officially opened by the Premier of the province, and a total of 784 houses, three primary schools, one high school, several child care centres and shops have been constructed. By July 2002, over 800 members of the community had been employed. Various community businesses, including the brick-making plant, have been established to provide material and services to the project.

## Sustainable community enterprise

### Creating independence through enterprise in South Africa

Anglo American continues to demonstrate its commitment to assisting the successful integration of people from previously disadvantaged communities into the mainstream economy of South Africa through the creation and development of sustainable and sound businesses. Its enterprise development and empowerment unit, Zimele, concentrates on the establishment and promotion of small and medium enterprises (SMEs), many of which are initially developed from outsourcing opportunities at the mining operations. Seven new ventures were established in 2001. As at May 2002, the Zimele

portfolio consisted of 21 black empowerment investments in companies ranging from banking, mining safety equipment, engineering, waste management and information technology. The SME ventures, which collectively employ 1,234 people, generated a turnover of \$17 million in 2001, an 80% improvement on the previous year.



Kiki Mayaba, a director of Envirolight in Rustenburg, assembles a lighting unit

By way of illustration, Envirolight, a black economic empowerment enterprise located in Rustenburg, consists of an all-female team that manufactures and assembles cost-efficient lighting units. With electricity being one of the mining industry's major cost inputs, the Envirolight products offer sustainable energy efficiency because the units reduce both baseline and peak electricity demand.

Another successful Zimele empowerment initiative with an annual turnover of some \$700,000 is Newco Waste, which provides collection, transportation, recycling and disposal of waste in the Rustenburg area.

### Community land reform project in Piet Retief, South Africa

Mondi is committed to supporting rural land reform and related socio-economic development, and recognises that peaceful co-existence with its neighbours requires the development of infrastructure, a reduction in poverty through job creation and a consequent improvement in social welfare.

An example of this was the handing over, in March 2002, after a long and thorough process of consultation with the local communities and authorities, of ownership of land in Piet Retief to three communities (Thokozane, Maphepheni and Rustplaats/Malyinini) for development. In each case the land has subsequently been sold, either to a government agency or to a developer, with the proceeds of the sale being returned

in full to the communities via appropriate investment. Provincial and national government representatives worked closely with Mondi and were actively involved in the process leading to the hand-over of the land.



Officially turning the soil at the transfer of land ownership to the Maphepheni community is Mayor Andries Gamede flanked by (from left) the community representative Andries Hlatswayo, Mondi Limited CEO Andrew Thompson and tribal leader David Mthethwa

Ownership of the land has brought legal and emotional security to these communities, and has facilitated the development of infrastructure and the building of houses. This, in turn, provides the platform for job creation and other services that will contribute to the longer-term welfare of the communities. Specific opportunities exist for vegetable growing, bee keeping, and the manufacture of charcoal and timber products.

### Small business development on South Africa's west coast

The economic base of South Africa's west coast community historically consisted of fishing and agricultural industries. The establishment of a range of heavy industries, a strategic fuel depot and the Namakwa Sands mine and mineral separation plants near Vredendal, Lutzville and Koekenaap had a significant impact on these communities in terms of employment opportunities, the establishment of support industries and small to medium-sized service businesses.

In order to assist local small, medium and micro-enterprises (SMMEs), especially those from previously disadvantaged communities, successfully to exploit the business opportunities which arose, Namakwa Sands, in partnership with other industries and the local communities, became one of the founder members of the West Coast Business Development Centre (WCBDC) in February 1998. The company's human resources manager currently serves as chairman of the centre.

The main purpose of this centre is to develop and enhance the growth of SMMEs in the west coast region through the delivery of cost-effective business support services. Through its business linkage programme, the centre has identified 24 business opportunities which were forwarded to some 47 SMMEs and this, in turn, has resulted in contracts to the value of some \$1.0 million.

Namakwa Sands continues to support local businesses and empowerment groups through the outsourcing of services to the value of some \$1.3 million per annum.

### The Chipiwa outgrower scheme in Zimbabwe

A consortium of Hippo Valley Estates, an Anglo American Corporation Zimbabwe (Amzim) group company, and Triangle, owned by Tongaat Hulett (in which Anglo American holds a 51% interest), purchased Mkwesine Estate from the government in 1974. From the outset, it was intended that 40% of irrigable estate land would be developed for settlement by previously marginalised black farmers.

The settlement of 191 farmers, on 10-hectare plots, between 1981 and 1983 was achieved in fulfilment of this obligation. In the settlement of neat houses, the collection of buildings bears testimony to an unusual degree of affluence: two well-established primary schools, a community centre and two clinics – facilities built and financed, in large measure, by the farmers themselves with the assistance of the local Chiredzi Rural District Council. The schools, with a total enrolment of 800, prepare scholars for the Mkwesine secondary school in the area.



Sugar cane is loaded at the Chipiwa outgrower scheme in Zimbabwe

Known as the Chipiwa scheme, the cornerstones of the initiative were a combination of land redistribution and poverty alleviation. Lauded as a showcase model in Zimbabwe, the scheme has been a success in

terms of business empowerment. Initially, the project was funded and administered almost entirely by Mkwesine Estate, with extensive agronomic extension services being provided.

Twenty years later, with the initial soft loans for the purchase of the land paid off, the Chipiwa farmers have achieved a high degree of autonomy. Mkwesine Estate remains committed and continues to provide both administrative and financial assistance to the scheme.

The transfer of title deeds to individual Chipiwa farmers is currently being finalised, after which the consortium can view with some pride the achievement of its original objectives.

### Small business development in Zimbabwe

The Business Initiative Zimbabwe Trust (BIZ) is a not-for-profit partnership between the various components of business operating in Zimbabwe. Dedicated to building a prosperous future for all Zimbabweans, the Trust's aims are to:

- create opportunities for business development and employment in Zimbabwe
- promote, encourage and establish linkages with and between the informal business sector
- foster, encourage and co-ordinate constructive dialogue between the public and private sectors
- foster and promote harmonious relationships between all communities in Zimbabwe; and
- identify areas in which real benefit can accrue to the people of Zimbabwe.

BIZ was formed in 2001 by the chief executives of some of the leading businesses in Zimbabwe. Founder members are Amzim, Barclays Bank of Zimbabwe, Delta Corporation, Old Mutual Foundation, PG Industries Zimbabwe, Standard Chartered Bank Zimbabwe, and TA Holdings, and more companies are being recruited for membership.

BIZ aims to raise and deploy at least \$18 million dollars for development projects between 2001 and 2006. As a founding member, Amzim has already contributed \$18,000 and is committed to contributing an additional \$300,000 over the period 2002 to 2006.

The first project of BIZ was to fund the training of 25 school leavers in modern farming techniques. The Farmers' Development Trust was chosen as the implementing agency for this project. On completion of the one-year training, the farmers will be settled on land acquired from

the government for this purpose. The Trust will continue to provide technical assistance to the farmers to ensure that they are productive.



School-leavers on the Business Initiative Zimbabwe Trust (BIZ) programme receive training in modern farming techniques

The majority of the funding is for educational organisations and initiatives which include schools, often in remote rural areas, to secure basic facilities. The Fund has supported more than 1,000 schools over the past 25 years including projects for learners with special needs. It provide funds for organisations pioneering new forms of learning for individuals of all ages and abilities for whom formal schooling has not traditionally catered, and promotes structured programmes for improved performance at school in the key disciplines of mathematics, science and English.

Prominent among the educational initiatives supported by the Fund during 2001 were a new chemical engineering building at the University of Cape Town, the construction of new classrooms at the Basizeni school in Embalenhle, in Mpumalanga province, for learners with special educational needs and support for the St George's Home in Johannesburg which aims to help older children trapped in the welfare system to integrate into mainstream society.

### Anglo Platinum schools project, South Africa

Anglo Platinum's Schools Project, currently in its eleventh year, is aimed at developing centres of excellence in local schools. The project reaches some 17,000 learners, 600 teachers and four district offices. It continues to produce improved results, generates more suitably qualified potential young recruits and has greatly improved managerial capacity at school level.

The results of the project are noticeable in the improved pass rates, the increase in the number of learners taking key subjects, and in the change of management style of schools. To address skills development and training for youths already out of school and to alleviate poverty levels.

Anglo Platinum also supports a number of training initiatives aimed at developing marketable skills. The programmes are structured to suit each business unit and address the strengths and the opportunities that exist within each operation. As an example, the on-site training of 30 youths at Bafokeng-Rasimone platinum mine in an 'addicted to business' programme is proving a worthwhile pilot project in providing quality education.

### Educational development programmes in Zimbabwe

Since 1982, Amzim, through its Chairman's Fund, has spent \$360,000 on education. The company's key vehicle for delivering this support is its Provincial Scholarship Scheme, which was introduced in 1987. Through this scheme, the company assists students of above-average ability whose parents are facing difficulties in financing their education. The scheme offers two scholarships annually to each of the country's nine educational regions. The recipients are selected with the assistance of Regional Education Offices. The scholarship covers

## Investing in education

### The Anglo American Chairman's Fund

Anglo American has made investing in education, both directly and in partnership with others, a priority in its social investment strategies for many years. The Company has been a prime mover behind the efforts of the Business Trust in South Africa to upgrade the attainments of 1.0 million primary and 0.5 million secondary school children in the period 1999 – 2001. Its dedicated grant-making agency in South Africa, the Anglo American Chairman's Fund, has committed some \$1.3 million in support of approximately 1,800 projects and organisations throughout South Africa.



The Buyani community school in Finetown, south of Johannesburg, received a grant of \$45,000 from the Chairman's Fund for improvements and expansion

tuition, uniforms, some pocket money and calculators (for those studying mathematics). The continued availability of the scholarship is dependent on each student's continued good performance. Currently, the Scheme has a total of 64 scholarship-holders in the system, of whom 33 are boys and 31 are girls.

The success of the programme is borne out by the 32 students who have been accepted by and have graduated from various universities and colleges. In 2002, 13 out of 16 scholarship-holders have been accepted to further their education at universities.

### Youth off the streets programme at Dartbrook in Australia

Consistent with its commitment to the principles of sustainable development, Anglo Coal Australia is keen to assist with the education and advancement of future generations in the communities in which it operates. Dartbrook Mine in the Hunter Valley of New South Wales is supporting the Youth off the Streets (YOTS) programme started in 1991. The organisation works with homeless children, providing long-term accommodation, education, vocational and counselling services.

YOTS aims to provide children with the ability to regain control of their lives and a chance to re-establish themselves in the community. In 1999, Dartbrook made available a property adjacent to the mine for the establishment of the Hunter Valley's first farm project. A residence on the property is used to provide a home for the children in the programme. The remainder of the property provides income to YOTS through leasing to local farmers for grazing purposes. Dartbrook also provides equipment and financial donations to assist the centre.

area covered in the first two years is 9.5 hectares. As part of its environmental education programme, the Flin Flon and Creighton School divisions supplied the bulk of the workforce, and other members of the community also participated enthusiastically.



Grade 4 students from the local Mclsaac school spread limestone in the Balsam area north of Flin Flon in the revegetation project at Hudson Bay Mining and Smelting in Canada

### 'Back to purple' – restoration of English heathlands

The Stiperstones, a Site of Special Scientific Interest (SSSI) and a Special Area of Conservation because of its importance to geology and botany, is one of Shropshire's best wildlife sites and finest landscapes. It is a prominent ridge, running for some 10 kilometres parallel with the Welsh border, forming a landscape acclaimed for well over a century. The ridge was once covered with a broad and continuous run of heathland, but over recent decades this heathland has been narrowed, isolated and fragmented by agricultural developments and afforestation.



Alan Sheppard, managing director of Tarmac Recycling in the United Kingdom, and local farmer Doug Joiner plough some of the land on the Stiperstones ready for the planting of heather seeds

## Improving the environment

### Community programme in Canada assists in greening the landscape

At Flin Flon and Creighton in Canada, the local community, schools, businesses, and the local and regional government authorities have successfully completed the second of an initial five-year community-based plan to work with Hudson Bay Mining and Smelting in the greening of barren areas through the application of crushed limestone which aids the regeneration of vegetation. The crushed dolomitic limestone is applied by hand, because the ruggedness of the terrain precludes the use of machines, and the landscape is already showing signs of transformation.

While most of the revegetation will occur naturally, small plantations have been set up in each of the 10 areas (each measuring 50 x 50 metres) treated to date, and some seeding has taken place. The work was carried out by 844 people in 43 sessions, and the total

Back to Purple, a partnership project between English Nature, the Forestry Commission and Shropshire Wildlife Trust, seeks to reverse this fragmentation by conserving and expanding the surviving areas of heathland eventually to create 180 hectares of thriving heathland and wildlife. Tarmac has sponsored the project over three years, enabling conservationists to restore the heathland, enhance wildlife habitats and improve visitor facilities on this internationally important site.

Heather planted by volunteers is producing its purple flowers, bilberry plants are producing fruits and rare cowberry and crowberry plants are flourishing. The restored heathland is attracting a wide range of specialised wildlife, including birds such as red grouse and stonechat, hares and grayling butterflies.



Disabled members of the community visit the restored Stiperstones heathland in the south Shropshire hills

The Back to Purple project will take 10 years to complete. The funds provided by Tarmac will continue to support educational visits to the site, the disabled access opened in July 2002, educational literature and displays and planting events.

### Combating pollution at Cubatão in Brazil

Cubatão city has one of the greatest concentrations of petrochemical, metallurgical and fertiliser plants in Latin America. Lack of planning and disregard for the environment resulted in a sad history of environmental degradation, and pollution levels soared. In 1984, with contaminated rivers, dying vegetation on the Serra do Mar mountain range and the population facing critical health problems, 16 'States of Alert' and one 'State of Emergency' were declared.

In a partnership between national and local government, the companies operating in the area – including Anglo Industrial Minerals' Copebrás plants manufacturing fertilisers, phosphoric acid, sulphuric acid and sodium tripolyphosphates – and the local communities, pollution has

been controlled and the United Nations has granted a 'Green Stamp' to the city, proclaiming it as a symbol of environmental recovery.

In an ongoing programme introduced in 1999, known as the Community Consultative Panel, industry and community representatives meet on a monthly basis to discuss environmental, health and social issues.

### Reforestation at Loma de Níquel, Venezuela

Minera Loma de Níquel in Venezuela is working with the local educational authorities in the implementation of an integrated programme, managed by the various teaching institutions, for instruction in agriculture and the production of fruit trees. With the support of these authorities, some 20 hectares of fruit trees have already been planted.

Also with the support of the local authorities and the community, Loma de Níquel has an agreement with the farming co-operatives in the area to reforest 80 hectares with various tree species. The local community is assisting in cultivating and planting 16,000 trees, over a period of three years, around the dam and main access to the mine where the soils are of suitable quality. The mine area is naturally denuded of trees, owing to the high levels of nickel in the overlying soils which normally only support nickel-tolerant grasses. The mine is training members of the community, some of whom have formed communal nurseries, in the administration of resources, nursery development and maintenance, and in the application of fertilisers.

## Forestry and community sustainability

Mondi, Anglo American's Forest Products subsidiary, is currently the largest plantation forest company in the world to be certified by the Forest Stewardship Council (FSC). Founded by environmentalists in 1993 and backed by the Worldwide Fund for Nature, FSC certification has regard to both environmental and social performance. It involves adherence to rigorous requirements relating to community relations and employee and indigenous peoples' rights.

Social development is an integral part of Mondi Forests' commitment to the communities in which it operates. It supports a wide range of projects, including those designed to enhance the rural environment and to provide sustainable livelihoods. Mondi Forests also operates a social responsibility self-assessment programme for its operations, and has an active stakeholder engagement programme.

As part of Mondi's commitment to stakeholder engagement and social profiling, the company's four-year sponsorship of a capacity-building programme in rural KwaZulu-Natal has resulted in the development of a practical and effective participative process to engage rural communities in the forestry regions. Known as the Mlazi Catchment management project, this was initiated by the Farmers Support Group, a non-governmental organisation affiliated to the Centre for Rural Development Systems at the University of Natal. Mondi is sponsoring the training of 19 social development facilitators who are dedicated to interaction with the local community.

## SiyaQhubeka, South Africa

In a transaction valued at close to \$11 million, the SiyaQhubeka Consortium, comprising Anglo Forest Products' Mondi and its empowerment partner, Imbokodvo Lemabalabala (IL Holdings), purchased 22,000 hectares of commercial plantations from the South African state-owned enterprise, South African Forestry Company (Safcol) in October 2001.



Local community members at the official launch of the SiyaQhubeka empowerment transaction

Situated close to the northern KwaZulu-Natal coast of South Africa, SiyaQhubeka embodies a unique approach to sustainable development and has leveraged important gains to the environmental, socio-economic and financial well-being of the Zululand region. The largest part of SiyaQhubeka's plantations borders on the Greater St Lucia Wetland Park, a recognised World Heritage Site of conservation significance.

A significant attribute of the transaction was the decision to delineate a practical eco-boundary line between the Greater St Lucia Wetland Park and the proposed commercial plantation area. This line separates areas of conservation significance (mainly wetlands and riparian areas) from suitable, highly productive commercial afforestation zones. The positioning of the eco-boundary line was agreed following a participative process involving Mondi, SiyaQhubeka, the South African

government, environmental non-government organisations and the Wetland Park authority, thus transforming a long history of passionate dispute between local forestry operations and environmentalists into a true partnership.

SiyaQhubeka's activities will stimulate small and medium enterprise development in the Zululand region. The company has identified and, in some cases, implemented, small business initiatives such as honey production, firewood collection and the manufacturing of charcoal from waste timber. Timber-farming support schemes will provide business opportunities for the local communities to grow and manage commercial plantation trees under the guidance of SiyaQhubeka.

Mondi will hold an initial 65% stake, IL Holdings (which has traditional leaders and black businessmen among its shareholders) 10% and the National Empowerment Fund 10%. The remaining 15% is to be divided between the employees and the South African government, which will hold the shares through Safcol. Mondi has agreed to facilitate the sale of 14% of its stake in SiyaQhubeka to rural timber farmers, the representatives of neighbouring communities and to IL Holdings.

The land on which the plantations are situated will be leased to SiyaQhubeka by the Department of Water Affairs and Forestry. It is the intention of the South African government, over a period of time, to use the lease rental to settle claims on the land by local communities.

With symbiotic forestry as SiyaQhubeka's fundamental philosophy, the company has adopted the slogan Forestry for Life. It is well-placed to ensure the stewardship of biodiversity and to address the social and economic empowerment challenges in the areas in which it operates, thereby delivering on a triple bottom line.

# Planning for closure

Planning for closure means strategically augmenting each community's social, economic and human capital to balance the depletion of mineral or natural resources

The rehabilitated Boschhoek dump at an Anglo Coal operation in KwaZulu-Natal where mining started in 1916 and continued until 1999. To date, Anglo Coal has spent more than \$4.5 million on the closure and rehabilitation of the colliery. The village and associated infrastructure have been sold to a developer and the land has been sold to three local community groups who will use this for various economic development opportunities

When new mines are designed and commissioned today, this is done with the imperative of environmentally responsible closure and decommissioning in mind. The environmental standards and practices involved in decommissioning and rehabilitation have moved on significantly over the last two decades. Managing the social impacts of closure, especially where there is a potentially high degree of dependence, is a policy area where best practice is still evolving. Seeking to manage the impacts is increasingly a standard element in our planning for new operations. We are, for example, cautious about creating new settlements merely to support a new mining operation and will, in such circumstances, look at alternatives such as transporting the workforce in and out of the area. Social impacts are not entirely within the control of companies and the appearance of a mining operation in a poor area can, for example, spark substantial migration and the formation of informal settlements. Similarly, unconnected developments in a regional economy can have profound importance.

Our objective, through the life of an operation, is to enhance the human capital of the local community and to seek to nurture an alternative base for economic viability post-closure. The case studies contained earlier in this report illustrate, *inter alia*, our approach to sustainable community enterprise and how our operations are seeking to forge partnerships in social provision, so as to reduce the risk of an unhealthy and unsustainable dependence being created. Both the Environmental and Social Impact Assessments carried out for new operations are based on an understanding of the social dynamics of the surrounding communities. The opportunities for community development through employment, skills development, education, improved infrastructure and health care and for outsourcing are identified. Through the planned life of an operation, these create a window of opportunity for enhancing the standard of living, capacities and life chances of local people.

Once an operation closes, it is clearly not in a position to continue to generate economic opportunities for the surrounding community – the baton must be passed. The process of social and economic disengagement must, wherever possible, be carefully planned in concert with the community, local and regional governments and other significant stakeholders. If the approximate life of the operation is known, this must be factored into government regional development plans, thought needs to be given to the transferability of skills, and opportunities need to be explored in good time for economic diversification. Within an operation's sphere of influence, for example, where we support the development of new small and medium-sized enterprises from outsourcing, this should be done with an eye to their subsequent potential for diversification. Post-closure community development should form part of initial Environmental and Social Impact Assessments and be used to develop performance targets as operations evolve.

## Africa

### Community activities at Vryheid Coronation colliery, South Africa

A signing ceremony took place in Vryheid, KwaZulu-Natal, in July 2002 to mark the transfer of ownership of land previously belonging to Vryheid Coronation colliery to three local community groups.

Portions of land were sold to the Zamokuhle Residents Association Trust, the Vrede Community Trust, and the Mthethwa Tribal Authority Trust. Communal property associations will be formed for each of the groups. This will enable the three groups to access funds held by the State to develop the properties under these associations.



left to right: John Wallington, Anglo Coal's executive VP South African collieries, Richard Mthethwa of the Mthethwa Tribal Authority Trust, Absalom Masedo of Zamokuhle Residents Association Trust, Reverend Shabangu of Vrede Community Trust, Musi Mtshali of the Department of Land Affairs and Henri Nieuwoudt, Anglo American's mining law and properties representative, at the signing ceremony for the official transfer of ownership of land from Vryheid Coronation colliery to three local community groups

The Coronation village and associated infrastructure which includes a post office, school, recreation club and sports facility, and the water purification and treatment plants, have been sold to a developer and plans are in progress, in liaison with the three local community groups, to make the land available for various economic development opportunities.

Mining at Vryheid Coronation colliery started around 1916 and continued until 1999. To date, Anglo Coal has spent more than \$4.5 million on the closure and rehabilitation of Vryheid Coronation colliery. This has significantly improved the valley and resulted in markedly improved water quality in the catchment. Major structures rehabilitated include four coal discard dumps, which have been reshaped and covered with

topsoil. This supports a protecting cover of grassy vegetation to exclude oxygen and minimise seepage of rainwater through the dumps.

Further rehabilitation work in the valley has seen the removal of the coal washing plant, coking plant, liming plant, conveyor belts and old rail lines. All the adits (tunnels), previously used to gain access and provide services for mining, have been sealed and rehabilitated. Old drainage and streams blocked by mining rubble or invasive alien plants have been cleared to restore clean, unpolluted surface water runoff. The rehabilitated sites have been grassed to provide a stable, non-polluting surface that blends in with the surrounding landscape and can be used to support a variety of land uses. In partnership with the state and the community leaders, Anglo Coal will facilitate a process of empowering the communities to utilise the land in a responsible manner, so that sustainable practices are encouraged.

Rehabilitation is coming to a close after more than a decade of intensive work, and Anglo Coal will shortly apply for formal closure of mining activities at Vryheid Coronation colliery.

## Rehabilitation at Bindura Nickel Corporation in Zimbabwe



Rehabilitation of the tailings dams at Bindura Nickel Corporation in Zimbabwe provides jobs for members of the community, who receive training from the mine

Over a number of years, Bindura Nickel Corporation has, with the aid of consultants, researched the types of indigenous vegetation suited to the chemistry of deposited tailings material. Using members of the community, test plots are planted on each dam with a variety of species growing under controlled, varied conditions, such as with and without topsoil, and a varied application of fertilisers. The plots are grown without irrigation, to identify the species that will survive with no assistance under closure conditions.

The strategy is to vegetate the sides of a dam during its active life, and to plant the entire top as soon as possible after deposition ceases. The dam is then monitored until the vegetation is permanently established and a self-sustaining ecosystem has evolved. More than 600 hectares of tailings dam surfaces are currently undergoing revegetation at Bindura Nickel Corporation, and the system provides jobs to members of the community who receive training from the mine.

Bindura Nickel has two operating mines and two that have been permanently closed. Since the closure of Epoch Mine in September 1998, the top surface of its dam, some 18 hectares in area, has been fully covered with indigenous grasses. Over 40,000 indigenous trees have been planted, and there is evidence of an evolving ecosystem that is expected to become self-sustaining within two years.

At Shangani Mine, wives of employees carry out these activities on a contract basis, from the collection of indigenous seeds, through the nursery stage, to planting on the dam.

## Europe

### Lisheen's closure plan

The Lisheen zinc mine in Ireland, which opened in 2000, has a life span of some 14 years. Its closure plan, developed as part of the Environmental Impact Assessment Process prior to commencement of permitting and construction activities, covers:

- the financial, technical and administrative provisions required to ensure that the proposed measures can and will be implemented
- effective contingency mitigation measures should the planned measures fail
- monitoring provisions, action thresholds and remedial strategies for potential impacts arising; and
- aftercare requirements and post-closure management.

The mine closure plan has been designed to ensure that, once mining operations have ceased, the mine can be decommissioned and the site rehabilitated according to current best practice. A review and updating procedure has been incorporated into the Integrated Pollution Control licensing system to take account of changing circumstances as they occur. The ultimate intention is to create conditions that pose a negligible risk to the local population or local environment in either the short or long term.

A programme has been prepared for the removal of all fixed equipment, buildings and infrastructure and the rehabilitation of the

surface sites, the decommissioning of underground facilities, the phasing out of the dewatering programme and the revegetation of the tailings surface area. This will take a total of seven years, including an initial five-year active-care period when the sites will be rehabilitated and all sources of potential pollution and contamination made harmless. This will be followed by a further two years of monitoring (passive care) to ensure that the work during the active-care period has been successful.

Several public consultations were held as part of the environmental impact-assessment process and the issues raised in connection with closure have been addressed in the closure plan. These include rewatering, acid generation of tailings, long-term maintenance, ongoing environmental management and the effect on local rivers.

The rehabilitation of the tailings facility has been developed to ensure long-term protection of public health, no deterioration of environmental resources and beneficial, sustainable after-use. A wetland cover is proposed, as this is regarded as one of the best covers for long-term control of acid generation and prevention of metal release into the receiving environment. The long-term maintenance requirements of self-sustaining wetland covers are also comparatively minimal.



Pilot-scale wetlands, as proposed in the closure plan for the Lisheen tailings management facility

Lisheen is currently sponsoring a research project on the ecological engineering of a sustainable wetland ecosystem over mine tailings based on the Lisheen model. The results of this project will be used to optimise the eventual closure plan at Lisheen.

## Community involvement in the Langford wetlands and bird sanctuary

In partnership with the community, Trinity College Oxford and the Royal Society for the Protection of Birds, Tarmac's Langford quarry in Nottinghamshire is an example of best practice on how quarrying can make a positive contribution to biodiversity.

The pressure on land in the United Kingdom for agriculture, housing, industrial and commercial development has led to many changes in the landscape over the last 100 years with significant loss in certain types of habitat and species, particularly flood plain areas and the wild bird population. Increasingly, the restoration work carried out by Anglo American aims to add value and improve or create lost habitats.

Tarmac's Langford quarry in Nottinghamshire, England, was a greenfield site, comprising 170 hectares of agricultural land adjacent to the flood plain of the River Trent. Tarmac and Trinity College Oxford originally owned the land, and permission was granted in 1988 for the extraction of sand and gravel, which commenced in 1990. Permission had taken 10 years to achieve, and the site was to be progressively restored to create a nature reserve for the Royal Society for the Protection of Birds (RSPB). The original restoration scheme was to consist of shallow open water and wet grassland, which would be assigned to the RSPB on completion of the restoration works.

Following the Rio Earth Summit in 1992 and the publication of the UK and Nottinghamshire biodiversity action plans, the RSPB identified Langford's potential to create large areas of uninterrupted reedbeds. Reedbeds are one of the 20 endangered habitats in the UK, with only 5,000 hectares of reedbeds nationwide and only 45 sites with an area greater than 20 hectares, most of which are in coastal areas. Large inland areas of reedbeds are extremely rare, with no large areas at all in Nottinghamshire. Langford's location at the side of the River Trent places it in an area where reedbeds would have once been extensive before the land was altered for agriculture in the 18th and 19th centuries by flood defence works alongside the river and land drainage.

Langford provided an ideal opportunity to create 40 hectares of reedbeds, doubling the total amount in Nottinghamshire and making a significant contribution towards the UK national target of creating 1,200 hectares of new reedbeds on land of low nature conservation by 2010. The creation of additional reedbed habitat will also support an increase in the population of the bittern, an endangered species of heron with only 22 breeding pairs in the UK identified in a survey in 1996. When restoration is complete, Langford hopes to be able to support two or three breeding pairs, thus contributing to the UK national target of increasing the number to 50 by 2005.

## South America

### Revegetation in partnership with local farmers in Brazil

At Morro do Níquel in Brazil, where mining operations have ceased after 40 years and rehabilitation is being carried out, a unique partnership has developed between the mine and the surrounding community. Scarce topsoil is sourced from local farmers to repair the scars from opencast nickel ore mining since 1962 and, in return, the mine assists the farmers with equipment and labour for the preparation of new roads, contouring for erosion control, building of dams, and the preparation of new pastures.



Excavation and clearing of this silt-filled dam provided valuable topsoil towards the rehabilitation of land impacted by past mining activities

The productivity of the farmers has increased, and at the same time the rehabilitation programme has flourished with the introduction of the basic substratum needed to re-establish vegetation.



As part of the restoration programme at Tarmac's Langford quarry in England, members of the local community assist in planting the first 10,000 reeds to create a bird sanctuary

The RSPB worked with Tarmac to develop a revised restoration plan and in 1998, 10 years after the original planning permission was granted, a legal agreement was signed between Tarmac, Trinity College Oxford and the RSPB progressively to transfer the ownership of Langford to the RSPB in five phases over the life of the quarry.

The RSPB took control of the first 20-hectare block of land and began to create a nursery area to grow reeds, which will eventually be used throughout the whole restoration of the site. The first 10,000 reeds were planted in 1998 with the help of the local community, helping to cement the relationship with some of the company's most important stakeholders – those who live closest to the operations.

The site will operate for approximately another 15 years and has a high potential for amenity use, as there are over 2.5 million people who live within a 65 km radius of the site. The creation of the reedbed habitat for the bittern is the primary target for the restoration plans. However, many other species of birds, insects, fish, reptiles, small mammals and plant life will also thrive at Langford.

On completion, the project will constitute a significant community resource, comprising a visitor centre and car parking facilities, footpaths around the site, 40 hectares of continuous reedbeds, 15 hectares of wet pastureland, 12 hectares of flower-rich grass meadows, 25 hectares of open water and 3.5 hectares of woodland. The remaining areas will be rough grassland and scrub.

# Anglo American plc Community Engagement guidelines

In an age when expectations of accountability have multiplied several times over, Anglo American recognises the importance of engaging with stakeholders<sup>1</sup> – consulting about issues, listening to their perspectives and being prepared to justify the Group's own positions.

Regular dialogue with the communities<sup>2</sup> affected by our operations – in which many of our employees may also live – is an important element in minimising the risk of local hostility or disruption to operations. Support for local projects is a further element of community engagement<sup>3</sup>.

The structure and objectives of community engagement are being defined for all our operations where this is relevant, and clear management accountabilities and success criteria are being identified. Each of our operations will, by the end of 2002, have a three-year community engagement strategy in place. This will reflect inputs from a range of local stakeholders.

Stakeholder engagement is an important component of our overall community development and social management system. For the assessment and possible approval of new projects, we give priority to the stakeholder engagement requirements prescribed in the host country's legislation or guidelines. Where the host country's requirements are inadequate or absent, we make use of international guidelines, such as those promoted by the World Bank group.

Our Community Engagement guidelines focus on our approach to ongoing stakeholder engagement throughout the operational phase rather than to the initial stakeholder engagement process, which is part of the development of new projects. These operational phase guidelines are of relevance to:

- operations, with community engagement strategies in place, that are seeking to benchmark and, if necessary, to refine and formalise their strategies
- operations that are seeking to develop community engagement strategies, possibly as a component of their Community Development/Social Management plans; and
- new projects seeking guidance on developing community engagement strategies for the operational phase, usually as a component of their Community Development/Social Management plans.

All our operations are encouraged to formalise their community engagement strategy by preparing a community engagement plan. The plan defines a rigorous and culturally appropriate approach to community engagement. The scope and level of detail of the community engagement plan varies according to the context, nature and scale of each operation.

Typical objectives of our community engagement strategies are to:

- maintain open dialogue with the local community and other stakeholders
- respond to communications from stakeholders
- enhance the capacity of the local community
- contribute to sustainable local social and economic development
- inform local communities about changes to an operation
- plan for significant future events, such as closure of the operations
- inform communities of the onset of environmental and social impacts
- identify underestimated or unanticipated impacts as they arise
- assist affected people in adapting to change; and
- monitor the effectiveness of management initiatives.

<sup>1</sup> Our stakeholders are those individuals or groups that have an interest in or may be positively or negatively affected by our operations.

<sup>2</sup> We usually define 'communities' to be those individuals or groups that may be directly affected by our operations.

<sup>3</sup> 'Engagement' is the overarching term that we use to capture the various ways that we interact with our stakeholders.

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