



MANAGING COMMUNITY EXPECTATIONS AND DEMONSTRATING CONTRIBUTION

Community engagement is a dynamic and evolving process. We are guided by principles of flexibility, authenticity and transparency when we initiate a dialogue with host communities.

IN FOCUS

Community investment spend of \$20.2 million in 2016

Significant investment in SME development to nurture alternative livelihoods



¹ [Click here to see the key focus areas in 2015](#)

² [Click here to see more on Engagement Management Standard](#)

KEY FEATURES

AngloGold Ashanti recognises host communities as one of our most important stakeholder groups. We understand the influential role that mining companies can play in the development of local communities and their supporting economies, and strive as far as possible to nurture harmonious relationships with host communities.

In the [2015 Sustainable Development Report](#), we outlined our key focus areas in response to community challenges. These included enterprise and infrastructure development, health, education and skills development. While these focus areas have not shifted dramatically in the 2016 reporting year, we observed strengthened community voices and escalating community activism as the global social landscape evolved.

Mining communities expect companies to demonstrate mutual benefit, while companies expect community leadership to honour agreements made on behalf of the community. In addition, Government may not always fulfill its role of timeous service delivery in communities, which has the potential to lead to conflict between communities and the mine. Over time, inadequate engagement and a lack of clear accountabilities lead to low trust levels, which negatively impact our ability to resolve issues around land access, resettlement and community development, among others.

OUR ACTIONS IN 2016

ENGAGING WITH STAKEHOLDERS FOR PARTNERSHIPS

AngloGold Ashanti's approach to community engagement is founded on establishing partnerships for shared value creation. The value of engaging positively and constructively allows the community to become part of the development process and eventually claim ownership of initiatives implemented. Community engagement is a dynamic and evolving process. We are guided by principles of flexibility, authenticity and transparency when we initiate a dialogue with host communities. Community engagement

is guided by our global [Engagement Management Standard](#), and requires each operation to prepare and implement an engagement strategy that is, among others, forward-looking to identify potential developments that may affect stakeholders.

A new reality emerging in Colombia enables local communities greater decision-making capacity in issues of land use through constitutional participation mechanisms such as Popular Consultations. Our team in Cajamarca worked towards deepening their engagement with communities,





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leaders, civil society organisations, non-governmental organisation and local and regional government agencies. The purpose of this work is to provide more information on AngloGold Ashanti as a company, what we do and how we mitigate impacts. So far this engagement has had a positive impact as is testament from key stakeholders in the Cajamarca area.

In Brazil, The Good Neighbourhood programme aims to strengthen the company's relationship with communities by nurturing open and transparent dialogue through regular meetings to discuss subjects of mutual interest. In 2016, the Amplified Dialogue annual session was hosted in October where representatives from local governments as well as community representatives met with the company to discuss the community's needs, likely scenarios, expectations and actions. Consistent two-way communication was further promoted through regular circulation of a dedicated newspaper, and a toll-free hotline set up to record feedback, grievances and suggestions from the community.

INDIGENOUS PEOPLES

Engagement with indigenous communities must begin at the earliest possible stage of the mining lifecycle. Our approach is guided by the AngloGold Ashanti Management Standard for Indigenous Peoples. It strives

to ensure our operations are guided to understand and respect the social, economic, environmental and cultural interests and perspectives of Indigenous Peoples. The standard was informed by the [International Finance Corporation \(IFC\) Guidance Note 7 on Indigenous Peoples](#) and the International Council on Mining and Metals (ICMM) position statement on Mining and Indigenous Peoples.

In Australia, Triodia Mining, a contractor providing maintenance services to Tropicana Gold Mine, manages a graduate programme for Indigenous students. The programme aims to reduce the risk of unemployment and associated negative impacts on Aboriginal men. Once students graduate from the high school programme, apprenticeship and training programmes are made available at the mine. Additionally, students have also been accepted into apprenticeship programmes with other mine contractors.

LAND ACCESS AND RESETTLEMENT

Access to land for mining activities and the subsequent displacement and resettlement of people are complex, emotive issues with long-term implications for the relationship with our host communities. AngloGold Ashanti seeks to avoid resettlement where possible. In instances where it is not possible to avoid the displacement of communities, AngloGold Ashanti's [Land Access and Resettlement Standard](#) articulates the company's approach

Guiding principles for resettlement

- All assessments, land access and acquisitions, and resettlement activities must be carried out in accordance with host country policies and regulations; and embody the principles, observe the provisions and comply with the International Finance Corporation's [Performance Standard 1](#) and [Performance Standard 5](#).
- Displacement of people must be avoided and minimised where practically possible. Where displacement is unavoidable, AngloGold Ashanti must mitigate adverse social and economic impacts resulting from land acquisitions and restrictions on affected persons' use of land.
- Where displacement is unavoidable, displaced people must be compensated fully, fairly and promptly for all lost assets.
- Resettlement must be conducted in a way that assists displaced persons to improve or at the very least restore their livelihoods and living conditions.
- Resettlement assessment, planning, implementation and monitoring activities must be undertaken with adequate and appropriate disclosure of information and the active, free, prior, informed and ongoing participation of affected people and other relevant stakeholders.

to acquiring or accessing land and resettlement. The process involves an initial assessment of land requirements, including the economic, environmental, social, and health impacts. Following the assessment, a resettlement management plan is developed in consultation with national and local authorities and the affected community.

Economic displacement refers to the loss of income streams or means of livelihood resulting from land acquisition or obstructed access to resources (land, water or forest) which results from the development or operation of a mine or its associated

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facilities. Physical displacement refers to the loss of shelter and assets resulting from the acquisition of land associated with the development or operation of a mine or its associated facilities that requires the affected person(s) to move to another location.

Ghana: Iduapriem Gold Mine (Teberebie)

Teberebie land acquisition stakeholder negotiations began in 2014 and were finalised by August 2015. The Teberebie asset survey and valuation report was developed to form the basis for compensation payment. In the 2015 report, we elaborated on the Teberebie land access issues where land initially identified for future development of Iduapriem Gold Mine was illegally sold to some community members by their leaders. During 2015, we successfully reached an agreement with the developers, local chief and the Tarkwa Municipality, regarding a phased approach to the acquisition of Teberebie land. By the end of 2016, 99% of the current economic resettlement was completed. Compensation was initiated in line with the asset survey and valuation report conducted by an independent consulting specialist. However, there was an additional claim of 38 acres of land which was demarcated for development but had not yet been sold when the initial agreement was concluded. An agreement was reached in December 2016 to compensate the additional plots after consultation with the chief and elders of the Apinto stool.

Ghana: Iduapriem Gold Mine (Mankessim)

The Mankessim resettlement management plan was first approved in consultation with the affected community in 2012. The 69 households were surveyed and valued for appropriate compensation, of which one household opted for cash compensation for the full replacement cost. Sixty eight (68) resettlement houses with access to electricity, water and road infrastructure (none of which was available previously in the impacted Mankessim) were built in the area. As at December 2016, 47 households had taken occupation of the new houses at Mankessim. Engagement with the remaining 21 households continues as they have requested additional alterations to the houses. The EPA continues its efforts to engage with the remaining households to take occupation.

Guinea: Siguiri Gold Mine (Seguelen - Area 1)

A comprehensive socio-economic baseline study of Kintinian village was undertaken in 2013, which informed the development of the resettlement management plan. The plan was submitted to the Ministry of Mines in December 2013 and the Ministry of Environment in February 2014, with approval duly granted in March 2014. A resettlement framework agreement was entered into between Societe AngloGold Ashanti de Guinee (SAG), the local negotiation committee, and the Mayor and Elders of Kintinian. The asset inventory process commenced on 5 December 2015 and was completed on 31 December 2015.





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Area 1 is primarily a residential area with limited small businesses operating from rented spaces as tenants to property owners. The tenants and property owners were compensated for lost income. In addition, the agreement also stipulates that all existing infrastructure in Area 1 will be restored in the new resettlement site in a manner that makes provision for new tenant contracts and income generation. The social infrastructure in the new area includes a Franco-Arab and a French school which were completed at the end of 2016. A stadium, a mosque, taxi rank, health post, and a primary school are under construction for completion in the first half of 2017. An economic development programme has been developed for the broader Siguiri area which will also benefit the Area 1 project affected persons. The programme includes aquaculture; brick making; fruit and vegetable farming; rice farming; cashew nuts farming and processing; and sewing and embroidery.

In the second half of 2016, two local NGOs, the Centre for International Commerce for Development (CECIDE) and Equal Rights for All (MDT), supported by international human rights lawyers, alleged human rights abuse by SAG and the Government of Guinea through the use of military force during the asset inventory exercise carried out in December 2015. [The company denied these allegations and outlined the process followed during the inventory process.](#)

By the end of 2016, 218 replacement houses of a standard and quality that exceeds the previous settlement were completed and ready for occupation. AngloGold Ashanti received positive feedback on the quality of the houses from both the community and government.

Colombia: El Diamante

An area close to the La Colosa project, known as El Diamante was identified as being of interest to AngloGold Ashanti during the initial stages of the project. At the time, the area was occupied by a number of families who were experiencing financial difficulties and without access to basic amenities such as electricity. A total of 51 families, or 179 people, were affected by the resettlement. In consultation with authorities and the community, a resettlement management plan was approved in 2010 and to date 45 families have been successfully resettled with the remaining six families planned for resettlement in June 2017. In 2016, AngloGold Ashanti also funded agriculture best practice training and made a financial contribution of \$77,000 towards a livelihood restoration programme for the affected families.

GRIEVANCE MANAGEMENT

At AngloGold Ashanti, our goal is zero harm. In instances where stakeholders experience or report negative impacts, we can address such impacts through community complaints and grievance management, as well as the community incident management system.

While each operation has its own complaints and grievance mechanism, developed with the local context and cultural sensitivities in mind, the requirements for these mechanisms are set out in our management standards to ensure complaints are received and dealt with in a manner that is transparent and ethical. In jurisdictions where legal or regulatory frameworks guide our grievance mechanism, credence is given to such requirements. All complaints and grievances are recorded with an estimated timeline for providing feedback on the complaint, and communicated to the complainant. In instances where grievances cannot be resolved by the company, it may with the consent of the community be referred to a third party for mediation and/or arbitration.

INFRASTRUCTURE

In Guinea, we invested in infrastructure that enables the supply of electricity in the Bouré area, close to our Siguiri operation. Construction of a low-voltage electrical network in nine villages of Bouré, including the Area 1 resettlement area, brought electrical power to homes. Siguiri Gold Mine also provides power to the Guinea Electricity Company, which oversees distribution to the community.

In Ghana, community trust funds have been established for our Iduapriem and Obuasi operations. These funds were first initiated in 2012 and are managed by a three-tier structure comprising a steering committee, a board and a secretariat. Representatives





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from AngloGold Ashanti as well as the communities serve on the boards to ensure the interests of all parties are represented. The Iduapriem Community Trust Fund awarded a number of contracts to local SMEs for the construction of facilities for the community. These included public ablution facilities for the Badukrom community; three classrooms and a library for the junior high school of the same community; offices and ablution facilities for the Adieyie community and a 500 seating capacity community centre for the Bankyim community.

Similarly in Obuasi, the trust fund commissioned ablution facilities and a mechanised borehole for the Akrofuom Senior High School. Other projects include mechanised boreholes for the Anyankyirem, Odumasi and Bekwai communities, as well as the Christ the King Senior High School. The projects were aimed at improving sanitation and providing access to potable water.

In Tanzania, after extensive consultation with the local and district governments of Geita, Geita Gold Mine commenced construction of a 3.7 kilometer tarmac road connecting the mine and Geita Town. The tarring of the road will significantly improve the safety and health of the community by eliminating dust and increasing logistical efficiencies in the area.

In South Africa we invested in recreation facilities to the benefit of the Matlosana community. The Kanana Recreation Centre

comprises swimming pools and change houses, a boxing facility and a field track, while the Tigane Sports and Recreation Centre includes swimming pools and a sports field. These centres aim to drive social cohesion in the community through recreational activity, and hope to redirect youth away from crime and drug use. We also invested in various initiatives that provide access to education infrastructure. At St Johns College in Mthatha, we established a science laboratory to enhance student performance in mathematics and science, and at the Westcol TVET College in Carletonville and the Matlosana campus of the Vuselela TVET Colleges, we refurbished workshops to provide access for students to technical and vocational training.

CAPACITY BUILDING

Capacity building is a long-term, continuous process, one that requires the participation of all stakeholders to succeed. It involves in-depth human resource development in the form of education, skills training development to ensure individuals can be equipped with the necessary understanding and access to information that will allow them to succeed.

In South Africa, our Community Human Resources Development (CHRD) initiatives are part of the company's youth development strategy in host and labour sending communities. Education and training contribute to reducing poverty, unemployment and inequality, and serve as the foundation of





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a prosperous society. To this end, our efforts involve bursaries, learnerships, internships and skills development. We specifically capacitate science and maths educators, school management and governing bodies. We also sponsor extracurricular lessons for senior high school students in Maths, Science and English. Furthermore, our community internship programme seeks to provide exposure to qualified graduates from our host communities with the aim of providing interns with an opportunity to acquire specialised knowledge, and to develop strong teamwork skills and individual responsibility. We also work in close partnership with the Mining

Qualifications Authority (MQA) to provide work-integrated learning for students. Based on the performance and aspirations of each student, mentors are assigned to contribute to the individual's personal and professional development.

In Australia, our youth engagement strategy is driven by the need to remove barriers to employment for young, mostly indigenous, people and prepare them for the transition to employment. Through long-standing partnerships with education organisations, government agencies and NGOs, AngloGold Ashanti supports a number of programmes

to help address these needs in the north-eastern Goldfields of Western Australia. We support the Goldfields Clontarf Academy, the Kalgoorlie Girls Academy and the Graham Farmer Foundation which work with Aboriginal girls and boys in secondary schools in Kalgoorlie-Boulder. These organisations, based at local high schools, aim to improve the education outcome, life skills, self-esteem and employment prospects for at-risk Aboriginal youth. As well as providing general support, AngloGold Ashanti has been working with the academies on transition to employment initiatives, provision of work experience and exposure to the broad range of careers available in mining, through site visits.

A pilot programme developed in partnership with the Goldfields Clontarf Academy and Triodia Mining, an Aboriginal contracting company operating at AngloGold Ashanti's Tropicana Gold Mine, has been providing high school graduates with a phased approach to work experience in a fly-in/fly-out mine. School learners spend short periods working in Triodia's Light Vehicle Workshop. The programme aims to facilitate the adjustment to mining work within a supportive environment. Along with our partners, we plan to build on the success of the programme by carefully expanding it to include other business partners at our Australian operations. A major barrier to employment in the region is lack of a driver's licence. This is particularly challenging when a family does not have a vehicle. For this reason we support the Pathwalkers Driver

Training Programme in Kalgoorlie-Boulder which is based on the award-winning Keys 4 Life road safety programme. The Pathwalkers programme guides aspiring young drivers through the theory and practical training necessary to get their licences, and includes 25 hours of supervised driving. It also promotes safe choices, responsible use of alcohol and maintaining a driver's licence. The company supports delivery of the programme in Laverton through the Laverton Leonora Cross Cultural Association.

LOCAL ECONOMIC DEVELOPMENT

Local economic development initiatives are designed in partnership with local government and host communities to increase local economic growth, stimulate employment creation and nurture sustainable livelihoods beyond the life of mine.

In Argentina, AngloGold Ashanti's Cerro Vanguardia and other mining companies operating in the Province of Santa Cruz have signed an agreement with the provincial government to contribute an estimated 2% of Cerro Vanguardia's projected gold sales between 2016 and 2019. The fund was voluntarily established in recognition of the extreme socio-economic conditions prevailing in the area. The fund will be administered by the provincial government, and the San Julian community are the primary beneficiaries, although the fund is expected to more broadly impact the Santa Cruz province. The initiative has generated approximately 50 employment





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opportunities to date. The company also provided support to primary school institutions in the town of Puerto San Julian with the provision of internet connectivity for more than 2,500 pupils.

In Tanzania, the Geita Economic Development Programme, launched in 2015, has created direct and indirect jobs for the surrounding communities of Geita Gold Mine. The Magogo SME Centre houses small and medium enterprise (SME) projects including brick making, tailoring, embroidery, fabrication and welding. Construction of the centre was completed in December 2016. Furthermore in 2016, Geita Gold Mine continued its support of the rice and sunflower agricultural projects and secured approximately 310 acres of arable land from Geita Town and the District Council for the upscaling of projects. Entrepreneurial training and quality seeds were provided to the beneficiaries which saw the yield in rice (paddy) production increase threefold. A rice storage facility and oil processing plant will be constructed in 2017 once the value chain analysis and markets have been secured to ensure sustainability of the projects.

In South Africa, we invested in an agriculture project in the community of Matlosana in the Vaal River district. The project is aimed at

addressing food security issues in the area, while creating employment opportunities. AngloGold Ashanti identified land on its concession that could be utilised for establishing farming and a processing plant. Soil surveys confirmed that the land was suitable for vegetable farming, and the project was established to be implemented over a three-year period.

The project commenced in November 2014 and to date has yielded numerous successful crops including tomatoes, peppers, chillies and onions. Additionally, the feasibility of a seedling nursery is being investigated to meet the growing local demand for seedlings. During the final phase, the established project will be transferred completely to the community.

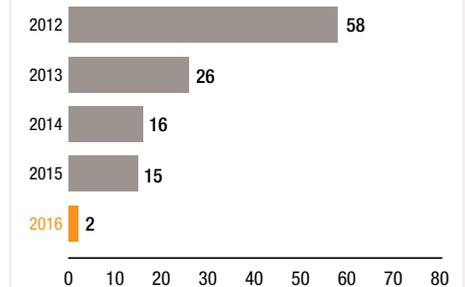
We also invested in an income generating project in the AmaMpondo Kingdom, which is located in the OR Tambo district (Eastern Cape province) of South Africa. The initiative is aimed at contributing towards poverty alleviation, employment creation and the promotion of food security. The project is a partnership between the company, the community and local government. After various consultations were held, traditional leaders agreed to allocate approximately 600 hectares of land to the initiative.

Feasibility studies confirmed the viability of the soil and the climate for agriculture, while the company secured a partner for an offtake agreement to ensure the future success of the venture. The sod-turning ceremony was hosted in September 2016 with plans to formally launch the project in 2017 before the first harvests. The initiative will benefit 278 land owners and the community.

OUR PERFORMANCE

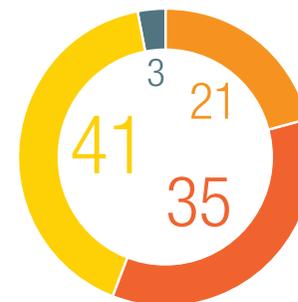
REPORTABLE INCIDENTS

Community incidents



Community investment

(%)



* Percentages calculated based on group community investment including equity-accounted investment

Proportion of spending on local suppliers

(%)

