

## MATERIAL ISSUES / SOCIAL continued

GRI / SASB / Policies and standards

# CONTRIBUTING TO RESILIENT, SELF-SUSTAINING COMMUNITIES



**PRIORITISED SDGs**

**Our ability to operate successfully is premised on our engagement with communities in an atmosphere of mutual respect. Our community relations activities are guided by our Social Performance management frameworks that are inclusive of the *Community Relations Policy* and its supplementary management standards and guidelines.**

We remain committed to sharing value with communities through training and supplier development programmes and the localisation of employment and procurement opportunities on page 7. We recognise the complexity and diversity of the cultural, economic and social landscapes where we operate; and aim to

balance our ethical responsibilities, regulatory requirements and business objectives.

Our host and local communities are faced with intricate socio-economic challenges – especially poverty, high unemployment rates, low economic growth, inadequate infrastructure and access to basic services.

The COVID-19 pandemic has meant that many of these challenges have been exacerbated. Last year reminded us of the importance of our social performance and its impact on our ability to maintain our social licence to operate. At the same time, the pandemic appears to have reinforced community understanding of the role that AngloGold Ashanti can play – and has demonstrated the importance of strong,

trusting and mutually beneficial relationships with our host communities.

### **Building relationships and partnerships**

Positive stakeholder relationships are key to building trust with communities and other stakeholders, and in so doing enable a conducive environment where the Company can contribute to the resilience and sustainability of communities. Company stakeholder engagement processes are guided by our Stakeholder Engagement Management Standard, which is in line with IFC Performance Standard #2.

We continue to track our social licence to operate, as an indicator of the level of



*“We recognise the complexity and diversity of this environment and we seek to ensure a balance of our ethical responsibility, regulatory requirements and the business objectives.”*

Guinea – Siguiri

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processes and progress, community relations programmes and activities, and health campaigns.

Although COVID-19 had a significant impact on community engagement in 2020, we were nevertheless able to make progress on a number of initiatives, including:

**CBOs/NGOs:** virtual engagements to address legacy issues affecting the communities.

**Australia:** work has focused on maintaining our relationships with Indigenous communities around our operations on page 57.

**Brazil:** perception surveys were conducted in seven municipalities to evaluate our social, economic and environmental contribution. Results are expected at the end of Q1 2021.

**Colombia:** at Quebradona, several key engagements were held with external and institutional stakeholders in continued efforts to build relationships and partnerships as the projects continue in the permitting process.

**Ghana:** at Iduapriem, meetings were held with host community chiefs, Teberebie community and youth leadership, and the executives of host community youth associations, focused on providing more information about ongoing local economic development projects.

**Guinea:** at Siguirí, engagements with the Maleah Sub-prefect and Mayor, Siguirí prefectural and Kankan regional authorities resulted in the signing of the Block 2 MOU for the Foulata Communities.

Mine management also met with the local Djelitomba “Association of Griots”. We recognise that griots play an essential role in social life and the Djelitomba are traditional communicators who have been conveying messages since ancient times and participate in the resolution of conflicts within communities.

**Tanzania:** at Geita we signed the 2020 Memorandum of Understanding listing Corporate Social Responsibility projects for implementation in the 2020/21 period, with the Geita District and Town Councils.

Given the impacts of COVID-19 on our community engagement work, AngloGold Ashanti is working with communities and wider industry peers to develop alternatives to in-person engagement, platforms which must ensure equal access for all parties.

#### Mitigating current and legacy impacts

AngloGold Ashanti acknowledges that mining activities may, at times, impact on communities, and as such these impacts must be dealt with fairly and transparently. These impacts are managed in line with group management standards adapted from the IFC’s Performance Standards and the UN Guiding Principles on Business and Human Rights.

Our social impact management approach aims to identify and mitigate past, current and future impacts. Sites are expected to avoid or, where this is not possible, minimise their impacts on local communities through project design and

management plans. Grievance mechanisms are critical to this process. We also remain committed to proactively consider issues and concerns from our local and host communities. All of our sites have grievance mechanisms in place that are accessible to all stakeholders. The implementation of the grievance mechanisms is also guided by our management standards on Complaints and Grievances, and Community Incident Management.

The implementation of the Community Information Management System (CIMS) has

enabled us to record, classify and manage issues raised – and to follow due process when investigating, mitigating impacts, reporting and resolving the issues lodged.

#### Land access and resettlement

Land is a significant resource for the development and operation of our sites. It is also a critical resource for our communities. We are careful in the management of land acquisition processes.

#### Complaints and grievances in 2020

Country	Operation	Complaints and grievances received	Number of complaints and grievances as at 31 December 2020
<b>South Africa Operations</b>		9	3
<b>Brazil</b>	Cuiabá Complex	133	12
	Córrego do Sítio	92	19
	Serra Grande	8	1
<b>Guinea</b>	Siguirí	24	3
<b>Tanzania</b>	Geita	13	4
<b>Ghana</b>	Iduapriem	150	<sup>1</sup> 127
	Obuasi	12	4
<b>TOTAL</b>		432	170

Note: There were no complaints and grievances reported in operations not included in this table.

<sup>1</sup> It should be noted that the table reflects unresolved cases as at the end of December 2020. The majority of Iduapriem grievances (about 113) were lodged in the latter part of Q4 2020 and were related to blasting impacts, which usually have a longer resolution period.

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AngloGold Ashanti remains committed to avoiding resettlements wherever possible and will undertake them only as a last resort. Our [Land Access and Resettlement Standard](#), in line with the IFC Performance Standard #5, provides the basis of the Company's approach. Where displacement is unavoidable, the consent of affected people is sought in free and fair engagement processes. We also ensure that affected communities are fairly and promptly compensated for loss of assets, and acknowledge the obligation to restore or improve livelihoods in affected communities.

Given that land can be a scarce resource in some jurisdictions, the Company has programmes in place to coordinate with host governments to assist in the development and supply of living space to communities.

During 2020, land-related challenges included

**Brazil:** there were 112 land invasions at our concessions in Nova Lima and Raposos. This is an ongoing challenge, caused by migration into urban areas where living space is limited. We continued our efforts to create partnerships with municipal governments for the implementation of low-income housing projects.

**Tanzania:** at Geita, the assessment and evaluation of life-of-mine land requirements is underway, to establish a sustainable land-use plan. A strategy for co-existence with the host community is being developed.

**Guinea:** at Siguiri, a revised land acquisition process to access a haul-road from Block 2, took place and compensation payments were made to various impacted stakeholders.

In addition and as part of the IFC's Compliance Advisor Ombudsman conciliation process for the Area 1 resettlement, an independent resettlement specialist was jointly appointed to undertake an independent study on resettlement, with deliverables including a Resettlement Assessment and a Livelihood Improvement Plan for the area where the communities have been resettled. See more here [http://www.cao-ombudsman.org/cases/case\\_detail.aspx?id=1259](http://www.cao-ombudsman.org/cases/case_detail.aspx?id=1259).

Examples of the work we have progressed in the year:

- **Ghana:** In Iduapriem, the Ajopa Resettlement was completed and the site officially handed over. The Company has agreed to construct drainage to prevent flooding in the community.
- The Mankessim Resettlement Project is nearing completion after first approval was granted in 2012, in consultation with the affected community. Sixty-eight houses have been completed and 65 house owners have accepted their houses, with three claims still outstanding.
- **Brazil:** In Serra Grande, the voluntary resettlement project at the Santos Reis community (Crixás-GO) is still in progress and 45 of 51 households now occupying their replacement houses.
- **Colombia:** Quebradona Project: approved the assessments made by INSUCO and the implementation plan on the 13 Social Units of the properties required by the project. In addition, the social and legal support was provided during the delivery of Bariloche and San Antonio properties.

### Cultural heritage and sacred sites

Respect for the culture and traditions of our host communities is essential to good community relations. Our commitment to legal obligations, adherence to international standards of good practice, and our management standard remains a priority in cultural and heritage management processes.

- **Ghana:** Iduapriem, Teberebie resettlement: traditional rites concluded and land purchased for the relocation of the Teberebie cemetery.
- **Colombia:** Quebradona, an archaeological artefact (art craft) was discovered at the exploration site in Jericó and subsequently reported to the Mayor of Jericó and the director of the Maja Museum. A legal process to protect and place the items in the local museum has been initiated with the relevant authorities.
- **Australia:** an ethnographic heritage survey was completed during 2020 for the Turing Project and associated Laverton district areas in Western Australia. A draft report has been received with a final report pending.



### Tokunaso soap project: supporting women's empowerment

#### Ghana: Iduapriem mine

The Tokunaso soap project is one example of our continued efforts to target women's empowerment in line with SDGs 5, 8 and 10. Iduapriem Mine worked with the Municipality and Department of Cooperatives to design a soap production project thereby developing those with an interest into local entrepreneurs. This three-year project started in 2019 when a consultant was engaged to build the capacity of 30 direct project beneficiaries through training and coaching in management practices, soap making, packaging and marketing. In 2020 a soap factory production facility was successfully constructed. Iduapriem has ensured that the Tokunaso Women's group has the start-up kits required to produce assorted soap and detergents. During 2020 as we responded to the imperatives of the COVID-19 pandemic, the group was contracted by the mine to supply liquid and carbolic soap to the mine and local community.

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#### Socio-economic development

AngloGold Ashanti, as a responsible corporate citizen, endeavors to contribute in the promotion of socio-economic development of our local and host communities, through direct and indirect contribution towards local and national development initiatives. The contributions include taxes, royalties, compensation, rates, and community development initiatives. Given the different geographies we operate in, our community development programmes are premised on the specific needs of our host communities.

Our socio-economic development programmes are designed in partnership with local governments and host communities to increase economic growth, stimulate income-generating

opportunities, create employment and nurture sustainable livelihoods beyond the life of mine.

Investing in the infrastructure surrounding our operations, and in the health and education of our communities is not only good for business but also improves the systems and facilities that enable resilient and self-sustaining communities in the long term. All initiatives are undertaken in collaboration with local governments.

Our community social investments extend across enterprise and infrastructure development, education and skills development and public health initiatives. In Brazil, specific laws allow the Company to invest part of the income tax due in projects approved by the federal government in areas such as culture, sport, children and youth, elderly and disabled people, as well as health (particularly oncology).

Apart from our designated programmes, we continue to contribute humanitarian efforts in the form of in-kind donations and voluntary employee involvement. At Corporate office, the Hearts of Gold employee involvement programme, established in 2004, was relaunched during the year. In 2020, a donation made through the Hearts of Gold initiative, contributed R200,000 towards Solidarity Fund for COVID-19.

In Brazil, our employees volunteered in seven host communities creating awareness towards COVID-19 and there were 452 voluntary participants in more than 36 initiatives. This amounted to 847 hours and more than 6,072 people benefited.



Guinea - Siguirri

#### Rice farming project: local supplier and enterprise development

##### Guinea: Siguirri mine

In line with sustainable development initiatives and the creation of incomes generating activities beyond ASM, SAG supported a rice farming project initiated by the Municipality of Kintinian which targeted some beneficiary groups of 3000 members in three villages, Kintinian, Mankity and Fifa. The project extends over approximately 500 hectares of land donated by the local authorities. The project also assists in optimising the use of the land beyond subsistence farming - the farm is close to the river and plans are in place to install irrigation for year-round production. In 2020, 346 hectares of land was planted with rice. In addition, three local contractors were awarded contracts to build a rice storage facility, agro-technicians accommodation units and a bridge. Construction work is expected to be complete in quarter 1 of 2021.



#### Localisation and inclusive procurement

AngloGold Ashanti is a critical contributor to the sustainable development of our host countries and communities. Our pursuit of strong governance, compliance with legal and regulatory requirements, recording and transparent reporting of our payments and funding activities, and honest and open engagements with our stakeholders enable us to gain trust and ensure accountability across the group. Our value sharing initiatives support our efforts to contribute to the UN SDG to promote decent work and economic growth (SDG-8).

In 2020 \$2.43 billion was spent on procurement, of which 82% was spent with local suppliers.

#### Community skills and employment

Local hiring strengthens relationships and presents opportunities for a more inclusive and diverse workplace - resulting in long-term growth and economic diversification. 2020 saw more emphasis placed on local employment programmes, especially in our Africa region, where it is a growing expectation from communities. The implementation of Community Employment Procedures at various sites has resulted in increased (mostly temporary) employment for community members.

Local employment procedures include local employment targets, which reflect the outcomes of engagements with local stakeholders.

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The Company also creates value sharing opportunities for local communities, including Indigenous Peoples, through our local content and skills development programmes. Enterprise Development and SMME support programmes yielded positive results with an increase in the number of local suppliers. In Australia, six indigenous businesses continued to provide a range of services in 2020. The Company continued its partnership with Carey Mining, Australia's largest privately-owned indigenous mining and civil contractor, which has been closely associated with AngloGold Ashanti for more than two decades and remains an important service provider to our business.

### Community Incidents

Community incidents or events around our operations or because of our activities that led to, or may lead to, disruption in communities and/or AngloGold Ashanti's operations, can be self-reported through iSIMS. They can also be reported by third parties through the sites' complaints and grievance mechanisms. All community incidents are managed in line with AngloGold Ashanti's Incident Management Standard. In 2020, 21 community incidents were reported, and these were predominantly related to community disputes over ownership and access to mine ore dumps in South Africa and demands for procurement and employment opportunities in Ghana and Guinea.

\* Community incident refers to an event that could lead or has led to loss of or disruption to AngloGold Ashanti's operations, services or functions, and/or impact on the livelihood of the community. These are unplanned events that could or have resulted in consequences to people, the environment, our operations or reputation, and/or social impacts.

### Strengthening systems and processes

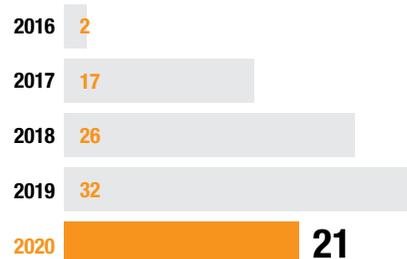
The Company's robust social frameworks, policies, standards, and reliable information management systems remain the backbone of the community relations discipline. In 2020, the reviewed community relations policy and management standards were socialised. After a successful launch of phase 2 modules in 2019, the Community Information Management System (CIMS) will now be integrated into the Integrated Sustainability Information Management System (iSIMS). The integration is necessary to ensure integration with various business aspects, especially the integration in reporting and management of sustainability risks and incidents.

Continuous improvement in the reporting systems and management processes is key for the effective management of the community discipline. Social risk management processes continue to be implemented in line with the company's risk management framework, ensuring that social risks are identified and mitigated in a consistent manner across the organisation. The community relations discipline relies on Combined Assurance as a compliance and assurance programme in place to ensure that risk management, governance and internal control processes are operating effectively across the group. This programme, coordinated by our Group Internal Audit discipline, was undertaken on an online platform owing to COVID-19 restrictions and the gaps identified during these reviews are being addressed by site management and monitored by corporate office.

### Our performance

#### Community incidents\*

(number)



**82%**

**Proportion of spend on local suppliers**  
(2019: 84%)

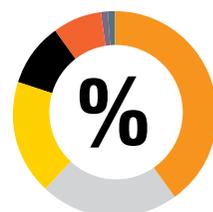
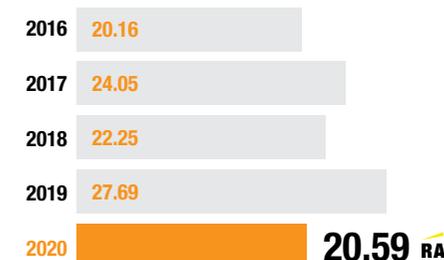
#### Total procurement spend

(\$ billion)



#### Community investment (less equity-accounted investments)

(\$ million)



**Community investment spend per focus area**  
(FY2020)

Social infrastructure	40	Education and youth	8
Donations and capacity building	22	Arts, culture and heritage	1
Health	18	Environment	1
SME support	10		