

SEAT: Maximising Anglo's contribution to local development

Anglo Coal's New Denmark Colliery in the Lekwa Municipality of South Africa is well aware of the concerns of its local community. So is the company's Chagres smelter in Chile, where key stakeholders have been identified and given the chance to have their say. Both facilities have used Anglo American's Socio-Economic Assessment Toolbox (SEAT) process, which was launched in 2004 and is now being applied at all Anglo's significant sites on a three-yearly cycle. SEAT assessments have now been undertaken in 16 countries including Australia, Brazil, Chile, China, South Africa, the USA and Venezuela.

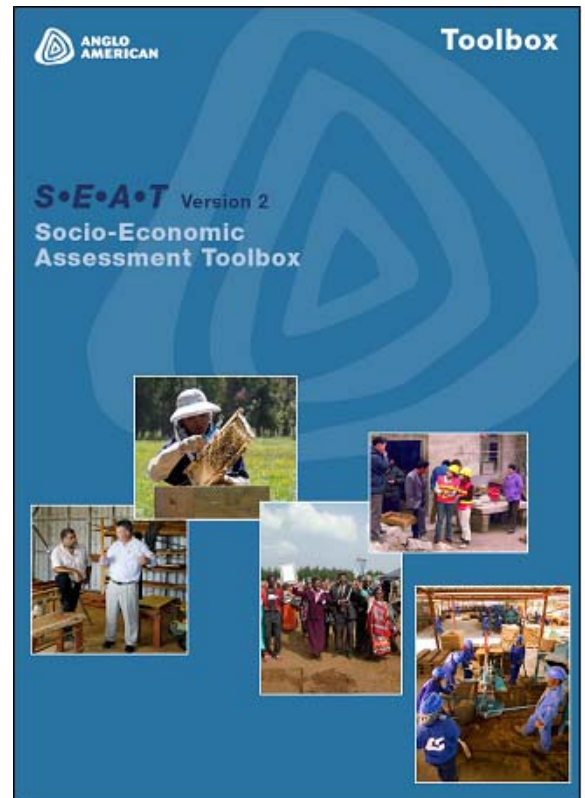
The challenge

As a company committed to sustainable development, Anglo American believes that while its operations may deplete a natural resource in a particular location, it should deliver a combination of improvements in the social and human capacities of the communities around them. A growing number of key stakeholders share this expectation.

Anglo American's response

SEAT contains about 30 tools and guidance notes that are designed to take the user through the key steps in the socio-economic assessment of existing operations. There are 4 key steps:

- Profile the operation and associated communities and identify key issues through stakeholder engagement;
- Identify and assess the operations social, economic and environmental impacts, direct and indirect operation, positive and negative;
- Develop management responses to the key issues in consultation with stakeholder; and
- Produce a public report that forms the basis for ongoing engagement with communities and other stakeholders.



The focus of SEAT is on improving the management of impacts, and on supporting host communities to meet their wider development aspirations. A wide range of guidance is provided, for example on how to: identify and prevent local conflicts; involve stakeholders in emergency planning; plan for mine closure; invest in micro-credit and other economic development initiatives; support sustainable energy or water and sanitation schemes; and enhance the capacities of local institutions.





Local stakeholders participate in SEAT consultations at the Chagres Smelter in Chile

As a result of SEAT studies, a range of initiatives have been implemented: from a large enterprise development programme in Chile to community housing improvements in Australia and skills development programmes for unemployed youths in South Africa.

Feedback and awards

Anglo's SEAT has been praised by international institutions such as the World Bank, NGOs including the One World Trust and leading investors like F&C Asset Management. In 2008 the SEAT process was central to Anglo American winning the Commonwealth Business Council's inaugural award for the business making the greatest contribution to meeting the Millennium Development Goals in Africa. SEAT was also highly commended by the International Chamber of Commerce and the United Nations Development Programme in the 2006 World Business Awards.

Meanwhile, an independent evaluation of SEAT implementation by leading American NGO Business for Social Responsibility (BSR), found SEAT to be "an international best practice". Aron Cramer, BSR Chief Executive, noted "SEAT helps Anglo American's operations to achieve their social licence to operate consistent with the expectations of stakeholders and broader society. It is underpinned by Anglo American's decades of experience operating in and contributing to emerging economies throughout Africa, Eastern Europe and Latin and South America. The toolkit represents one of the most significant corporate investments we know of to equip personnel to better understand, plan, implement and account for the social and economic performance at the local operations level."

