

CAPCOAL AND FOXLEIGH MINES SEAT REPORT 2014-2016

SOCIO-ECONOMIC ASSESSMENT TOOLBOX (SEAT)



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CONTACTS

If you would like further information or to provide any feedback please contact our Community Officer on:

Post Community at Capcoal and Foxleigh
PMB1, Middlemount, QLD 4746

Phone 07 4985 0531
Fax 07 4985 0302

Email community.capcoal.foxleigh@angloamerican.com

Web www.angloamerican.com.au

FOREWORD



Andrew Job
General Manager – Capcoal
open cut and Foxleigh
operations



Adam Garde
General Manager – Capcoal
underground operations

It is with pleasure we present the Capcoal and Foxleigh mines SEAT Report 2014–2016.

As the largest employer and a major stakeholder in Middlemount, the General Managers of Anglo American's Capcoal and Foxleigh mines, together with our employees, are committed to enhancing economic opportunities and building community capacity in Middlemount.

The dramatic change in global economic circumstances in late 2008–2009 and again in 2012–2013 had a significant impact on our ability to achieve all of our commitments from SEAT 2007–2008 and SEAT 2011–2013. However, throughout this report we are proud to showcase the contribution Anglo American has made to the community of Middlemount.

Stakeholders have acknowledged the contribution Anglo American has made to ensure Middlemount has high standard medical services available seven days a week. With the current population comprising predominantly of young couples with preschool age and younger children, this was highlighted as a major achievement and something that encourages families to live in the community. Stakeholders also felt that while contributions to community clubs, organisations and events are appreciated, more family orientated social events are needed to give families the opportunity to socialise.

Stakeholders also acknowledged the benefits of having family accommodation available. This allows families to live close by and keeps the family unit intact. While there was some discontent around the house refurbishments not continuing and the state of the renovated houses, there was an understanding that this was due to the current economic climate.

The weekly community newsletter was recognised as a great service and there was a strong desire for Anglo American to increase communication with employees and local business owners about its status in the current economic climate.

This report provides a snapshot of the key characteristics of life in Middlemount in 2013 and the key matters raised by stakeholders for Anglo American to consider when formulating our Social Management Plan for the 2014–2016 period.

We look forward to partnering with you to further develop the community of Middlemount.

INTRODUCTION

This report presents the findings of a study to assess the socio-economic impacts of the Capcoal and Foxleigh mines. The study was guided by the Socio-Economic Assessment Toolbox (SEAT) Version 3.

BACKGROUND

Globally, Anglo American recognises the need to manage the social and economic impacts of its operations. As such, this Toolbox helps Anglo American assess the impact of its operations on local and regional areas and develop strategies to manage these impacts.

Capcoal and Foxleigh mines are located near Middlemount in Central Queensland and are operated by Anglo American's Coal Business, which is part of the Anglo American group of companies.

As the largest employer and major stakeholder in Middlemount, the management of Capcoal and Foxleigh mines are aware of the role they play in contributing to the economic and social structure of the local community. Capcoal and Foxleigh have embraced the SEAT engagement process and are committed to using this tool to enhance economic opportunities and build community capacity in Middlemount through ongoing efforts to invest and partner with stakeholders.

REPORT STRUCTURE

The first section of this report consists of an introduction to the SEAT process utilised by Anglo American sites globally. It sets out the objectives and the approach applied, as well as identifying the stakeholders consulted during the process.

Capcoal and Foxleigh mines and the Middlemount community are then profiled to highlight site location, employment, coal production and resources, future capital investment and expansion opportunities as well as the local demographics and town facilities.

The report showcases the existing social management initiatives and key community investments made within the Middlemount community during the period 2011–2013.

Next, Capcoal and Foxleigh mines' current socio-economic impacts on the community of Middlemount are presented and the key social management focus areas for the 2014–2016 period are identified.

Finally, a Social Management Plan has been developed to address the key issues raised during the SEAT engagement process.

ACKNOWLEDGEMENTS

The management of Capcoal and Foxleigh mines would like to thank all stakeholders who took the time to participate in the SEAT process in 2013, whether through provision of data and information, completion of surveys, or participation in one-on-one interviews or round table discussions.



OBJECTIVES AND APPROACH

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OBJECTIVES

The core objectives of the SEAT process are to:

- Provide guidance and support for achieving full compliance with the Social Way – Anglo American's framework of requirements for social performance management during project development and closure.
- Identify key social and economic impacts and issues that need to be managed and, thereby, to improve risk management.
- Assess existing social performance initiatives and identify where improvements are required.
- Facilitate the capture and sharing of "best practice" across Anglo American.
- Improve each operation's understanding of the full range of local stakeholders, their views and interests, provide guidance in developing and updating annual Stakeholder Engagement Plans, and increase trust and goodwill amongst host and communities.
- Support sustainable socio-economic development in host communities.

The seven steps of the SEAT process are as follows:



OBJECTIVES AND APPROACH

APPROACH

Stakeholders invited to participate in the Capcoal and Foxleigh SEAT engagement process from September to October 2013 included employees and their families, contractors, business owners and retailers, education and childcare providers, property owners, Indigenous groups, local and state government, union representatives and non-government organisations.

STAKEHOLDERS CONSULTED:

• Anglo American employees	• IGA Supermarket
• Residents – permanent and transient	• Lemon Tree Café
• Isaac Regional Council – staff and Councillors	• Enchantment Hair Designs
• CTM Links	• Total A'fair Hairdressers
• Middlemount Police	• Middlemount Bakery
• Community Health	• Leisure Centre Operations
• Middlemount Community School	• Middlemount Panthers Rugby League Club
• Mackenzie River State School	• Middlemount Rodeo Association
• Middlemount Community School P & C Association	• Middlemount Junior Rugby League Club
• Middlemount Youth Service and Chaplaincy	• Middlemount Junior Motocross
• C&K Childcare	• Middlemount Touch Football Club
• Mulligrubs Playgroup	• Bundoora Water Sports Club
• Middlemount Medical Centre	• Middlemount Community Sports Association
• Middlemount Community Church	• Middlemount Golf Club
• Catholic Church	• Middlemount Bowls Club
• Clarke Creek Community Reference Group	• Middlemount Netball Association
• SES	• Korisma Boutique
• Landowners	• Lane 4 Aquatics
• Swag Motel	• Korrins Health & Beauty
• Middlemount Engineering and Tyre Service	• BJ's Cleaning Services
• Middlemount Rural Supplies	• Caltex Middlemount
• Hertz Desire Gifts and Jeweller	• Middlemount Ambulance Service
• Soul Pattison Chemist	• Converge International – EAP Counsellor
• Middlemount Newsagency	

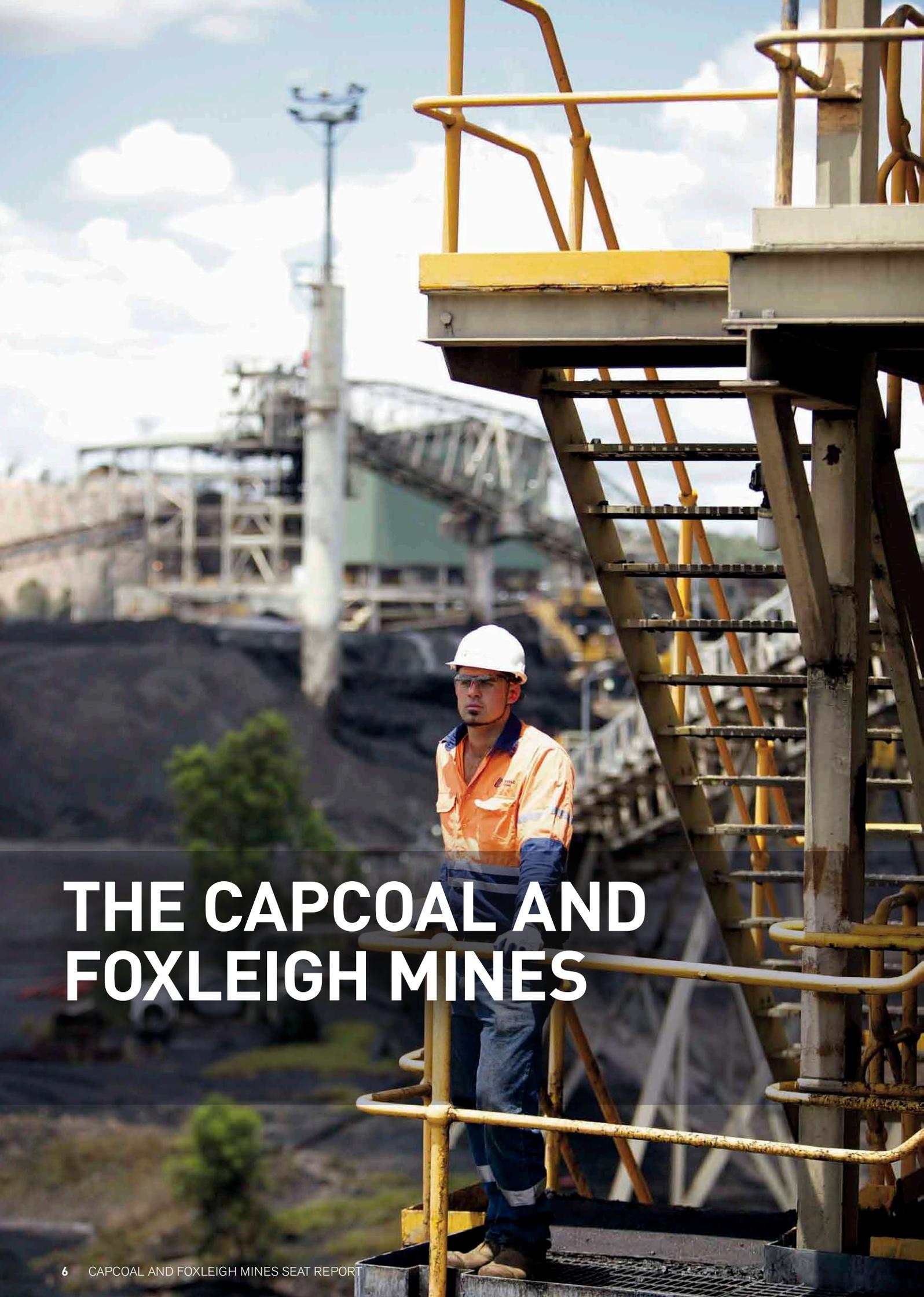
One-on-one surveys were conducted at the shopping centre, day care centre and Middlemount Community School. The majority of respondents preferred to complete the survey in private and return it to one of the drop off boxes located around the community.

The survey was also available online through Survey Monkey, which proved to be the most popular option. Surveys and the link to the online survey were also emailed or mailed to landowners, surrounding schools, community groups, sporting clubs and local businesses.

A total of 103 surveys were completed, which helped Anglo American identify stakeholder views, concerns, preferences and the current key socio-economic issues of Middlemount.

This has provided Capcoal and Foxleigh with vital information about:

- The positive and negative impacts of the mines on the Middlemount community.
- Current challenges faced by communities in the Bowen Basin.
- The social issues that require immediate and ongoing management by the mines.



THE CAPCOAL AND FOXLEIGH MINES

THE CAPCOAL AND FOXLEIGH MINES

Capcoal comprises of two open cut mines (Oak Park and Lake Lindsay) and one underground mine (Grasstree).

In February 2008 Anglo American also acquired the majority shareholding of the Foxleigh open cut mine.

Bundoora mine closed in August 2013 and Aquila mine has been put under care and maintenance.

Location: All mines are within 45 kilometres south-west of the township of Middlemount in the heart of the Bowen Basin in Central Queensland. Middlemount is approximately 240 kilometres from Mackay and 280 kilometres from Rockhampton. Middlemount is also a comfortable driving distance to the regional centre of Emerald.

Ownership and Operation: Capcoal is owned by Anglo American (70%) and joint venture partner Mitsui Coal Holdings Australia (30%). It is operated and managed by Anglo American. Foxleigh is owned by Anglo American (70%), with joint venture partners POSCO (20%), a Korean steel company, and Itochu (10%), a Japanese trading and mining investment company. The mine is operated and managed by Anglo American.

Capcoal is capable of producing up to 15 million tonnes (Mt) of run-of-mine (ROM) coal annually. Coal is processed at a centrally located Coal Handling and Preparation Plant (CHPP) capable of making in excess of 11 Mt of prime quality hard coking and Pulverised Coal Injection (PCI) product coal at full capacity. After processing, coal is transported 360 kilometres north-east by rail to the Dalrymple Bay Coal Terminal for export.

Mining leases controlled by Capcoal cover 27,343 hectares and estimated coal resources are in excess of 700 Mt, with in-situ mineable reserves of 150 Mt. Capcoal exports to steel manufacturing customers in East, South and West Asia, Europe and Latin America.

Foxleigh mine produces around 2.9 Mt per annum of PCI product coal for the steelmaking industry. The mine's installed production capacity is 3.3 Mt per annum of product coal. The estimated total coal resources as identified in the 2013 Reserves Statement is approximately 115 Mt. Foxleigh and surrounding tenements are the subject of ongoing exploration and feasibility studies. Foxleigh's PCI coal is carried 360 kilometres by train to the Dalrymple Bay Coal Terminal to be exported to major steel companies in Korea, Japan, Taiwan, Europe and South America.



Future capital investments and expansion plans:

Grasstree longwall mine is currently mining the 900 series longwall blocks and is scheduling for 85 operating hours per week. The ROM budget for 2014 and 2015 is over 5 Mt. With additional coal to process, major upgrades to the Capcoal CHPP will be necessary.

Foxleigh has obtained state and federal government primary approvals for the Foxleigh Plains project. Secondary approvals relating to management plans are currently being sought. The Foxleigh Plains project will increase ROM production from 2.9 to 3.3 Mt per annum and increase the life of the Foxleigh mine by up to 15 years. Coal will continue to be mined using truck and shovel methods.

Workforce: Capcoal and Foxleigh currently employ a production workforce of approximately 1560 including 1160 direct jobs and 425 supplementary labour.



THE MIDDLEMOUNT COMMUNITY

THE MIDDLEMOUNT COMMUNITY

Middlemount is located in the Isaac Regional Council area, which boasts one of the highest average wage and salary incomes in Queensland. Middlemount is located about one and a half hour's drive north-east from Emerald and three hours in-land from Rockhampton and Mackay.

The Middlemount township was purpose-built by Capcoal in the early 1980s to house its employees. Hence, there is a longstanding perception of Middlemount as a 'Capcoal town'. While Anglo American is still the main landlord, the town has evolved over the past 30 years from a one-company-town to now serving a large contractor workforce, other mining companies and a number of essential services and local businesses.

While the majority of residents are employed by Anglo American, other residents are employed elsewhere in the coal mining industry or in other businesses serving Capcoal, Foxleigh and the coal industry generally.

An estimate of the fulltime equivalent population of Middlemount as at June 2013 indicates a total population of approximately 3,620, with a resident population estimated at 2,105 and a non-

resident population 1,515 (Source: Queensland Government – Department of Treasury and Trade 'Bowen Basin Population Report 2013').

The Middlemount community enjoys schooling from prep to grade 12, a kindergarten and day care centre, medical centre, hotel/motels, shopping centre, skate park, well-equipped parks, restaurants, sporting facilities including an Olympic size pool, and the Bundoora Dam used for camping, skiing and fishing. Other attractions include the Middlemount Golf Course, Middlemount Bowls Club, Blue Mountain Park, Middlemount Gym, Middlemount Youth Centre and the Middlemount Library. Annual events include:

- Middlemount Annual Rodeo Camp Draft.
- Middlemount Golf Pro Am.
- Middlemount Race Day.
- Middlemount Tennis Open.
- Middlemount Bowls Classic.
- Middlemount Community School Fete.





EXISTING SOCIAL MANAGEMENT AND INVESTMENT

EXISTING SOCIAL MANAGEMENT AND INVESTMENT

This section highlights some of Anglo American's contributions and social investments in the community over the past three years. This support continues to be an important focus for Anglo American.

ECONOMIC CONTRIBUTION

The two most significant positive impacts of Capcoal and Foxleigh are employment creation and local expenditure. Around 1560 people are employed by Capcoal and Foxleigh, and the mines purchased \$17.6 million worth of goods and services from the Middlemount area in 2013.

Other taxes and payments made to government authorities include:

	2011 (\$)	2012 (\$)	2013 (\$)
Royalties – coal and gas	169,460,386	141,969,271	126,184,041
Rates	7,908,029	9,143,955	9,479,143
Mining Lease rentals	3,903,225	3,763,784	3,490,712
Payroll Tax	9,265,149	10,820,041	10,972,821
Corporations Tax	127,645,927	34,484,583	-12,662,926
Income Tax paid on behalf of employees (Based on tax year 1 July – 30 June)	43,275,271	59,820,716	60,736,557
Workers' Compensation	470,810	921,885	1,157,115
Fuel Duties and Vehicle Tax	238,990	354,025	151,495
	362,167,788	261,278,261	199,508,959

SOCIAL INVESTMENT

Anglo American supports a diverse range of projects benefiting the Middlemount community. Contributions are made regularly through application rounds that are advertised locally. The focus areas for Capcoal and Foxleigh's contributions are education and training, health and welfare, sport, arts, culture and heritage, and environment.

Capcoal and Foxleigh mines have contributed in excess of \$600,000 in sponsorship and donations to community clubs, organisations, events and subsidised accommodation over the 2011–2013 period. Anglo American recognises the contribution these groups and events make towards the liveability and sustainability of Middlemount. Employees also provide in-kind support by volunteering their time, skills and enthusiasm to local sporting clubs, charities and other not-for-profit organisations.

Some of our social investment highlights over the past three years include:



\$14,000 towards a Safe Driver program for Year 11 and 12 students from Middlemount Community School.

EXISTING SOCIAL MANAGEMENT AND INVESTMENT

Some of Anglo American's social investment highlights over the past three years include (continued):



\$4,500 to build a basketball half court.



\$75,000 to provide the services of a youth worker/chaplain and provision of youth development programs. Anglo American also provides funding towards company-owned housing for the youth worker/chaplain position.

EXISTING SOCIAL MANAGEMENT AND INVESTMENT



\$29,000 towards accommodation for the doctors to ensure medical services are available to the community seven days a week including after-hours services.



\$5,000 to the State Emergency Service to set up a traffic management trailer to assist with road traumas.

EXISTING SOCIAL MANAGEMENT AND INVESTMENT

Some of Anglo American's social investment highlights over the past three years include (continued):



\$30,000 to the Middlemount Golf Club Pro Am



\$36,000 to the Middlemount Race Club for the Annual Race Day.

EXISTING SOCIAL MANAGEMENT AND INVESTMENT



Ongoing funding to support the Anglo American Middlemount Campdraft.



\$50,000 per year for the Christmas Carnival.

EXISTING SOCIAL MANAGEMENT AND INVESTMENT

Some of Anglo American's social investment highlights over the past three years include (continued):



Ongoing support for education and training through partnerships with RAEL and the Middlemount Community School to provide students with on-site exposure and training through the Certificate II in Resource and Infrastructure Program.



\$1 million pledge to develop the combined sports centre to provide upgraded facilities and a venue for social events.

EXISTING SOCIAL MANAGEMENT AND INVESTMENT

CASE STUDY

MIDDLEMOUNT YOUTH SUPPORT



Since 2009 Anglo American has provided vital support to the Middlemount Youth Service by funding part-time wages, youth development programs and the provision of housing. Annually, Anglo American provides \$25,000 to enable the Middlemount community to secure the services of a dedicated Youth Worker/Chaplain at the Middlemount Community School and Middlemount Youth Service to help develop local youth and chaplaincy services. With this support the volume of organised local and regional activities and events for young people has increased.

One of the key responsibilities of the Youth Worker/Chaplain is to identify kids at risk and put processes in place to support them. If necessary the young people are taken out of the risk environment and/or external professional help is sought. The Youth Worker/Chaplain also helps young people develop life skills, and provides pastoral care and support programs within the school and the community.

Anglo American also jointly funds a Youth Centre in partnership with the Isaac Regional Council and Middlemount Community Service. The centre is a significant tool to help support young people in the community by providing a safe place where young people can be themselves. At all times they are supervised by the Youth Worker/Chaplain and volunteers from the community. This initiative has had a positive effect on relieving boredom among young people in the community, and in turn reduced the incidence of youth involvement in property damage, theft and drug and alcohol abuse.

In order to provide additional activities for youth in the community, in 2013 Anglo American provided the Youth Centre with an additional \$4,500 to help build a basketball half court. This not only provides an additional activity, but also encourages young people to get outdoors and active.



SOCIAL AND ECONOMIC IMPACTS OF THE MINE

SOCIAL AND ECONOMIC IMPACTS OF THE MINE

An important aspect of the community consultation process was to assess how the community perceives Capcoal and Foxleigh mines. Generally, the operations have a good reputation. However, there were some issues that concerned the stakeholders consulted.

This section outlines the impacts of the operations, both positive and negative.

ISSUES IN PREVIOUS SEAT REPORT

Over the past three years Anglo American has worked hard to address the impacts and issues identified by stakeholders through the previous SEAT process which highlighted concerns in the following key areas:

- Housing and accommodation.
- Social and community.
- Facilities and services.
- Education and training.
- Community engagement and communication.

Although some of these issues remain current, stakeholders have acknowledged the efforts Anglo American has made to continue to deliver sustainable benefits for the Middlemount community.

Since the previous SEAT report, Capcoal and Foxleigh mines have implemented a number of initiatives to minimise the negative impacts associated with these key issues.

HOUSING AND ACCOMMODATION

The key issues regarding housing and accommodation were the lack of available family housing and the need for refurbishment of Anglo American owned properties in Middlemount. Actions taken to address these issues include:

- Regular inspections conducted by Anglo American contractor to identify properties that require maintenance.
- Regular accommodation meetings to monitor requirements and allocate housing as per Anglo American policy to ensure allocations are fair.
- Monitor maintenance by tenants.
- \$2.4 million spent on maintaining company owned houses in 2013.
- Refurbishment of 38 houses in 2011.

COMMUNITY SPIRIT

The community expressed concern there was a lack of community connectedness and entertainment options in Middlemount. Actions taken to address these issues include:

- The Community Officer worked with community groups to encourage more recreational activities, including the re-introduction of the monthly markets.
- The gym became available 24 hours a day.
- The community pool hours were increased during the spring and summer months.

FACILITIES AND SERVICES

There was a large response regarding facilities and services within the town. In particular, the Middlemount Golf Club building needed to be upgraded, the Middlemount Bowls Club was facing financial difficulties and health services were struggling to meet the demand.

Measures that Capcoal and Foxleigh mines have taken in regards to these issues include:

- A contract with a new medical service provider to provide the Middlemount community with access to a doctor on call 24/7 and a surgery open seven days a week. To secure these services, Anglo American provides free of charge accommodation for the doctors.
- Working with the Middlemount Golf Club and Bowls Club to resolve the problems the clubs were experiencing.
- Stakeholders said the community would benefit from a multi sports facility where families could socialise and participate in sports. Anglo American pledged \$1 million to bring the multi sports facility to fruition.

EDUCATION AND TRAINING

The key concerns regarding education and training were the limited range of educational opportunities available and the inability to attract staff to rural areas. The measures taken to address these issues include:

- Continuation of apprenticeships and training programs. At present there are 16 full time apprentices across Capcoal and Foxleigh mines. The sites also have two school-based diesel fitting apprentices. Middlemount Community School students also participate in the Certificate II in Resource and Infrastructure Program. This program is designed to give year 10 and 11 students introductory exposure to the workplace focused on competencies that can be applied both to the trades and production streams.
- Provision of \$12,000 funding in 2014 for the Reading Project to improve reading outcomes for students in years 4 to 9.

SOCIAL AND ECONOMIC IMPACTS OF THE MINE

KEY ISSUES RAISED DURING CONSULTATION

This section provides a summary of the key matters raised by various stakeholders during the 2013 SEAT consultation.

HOUSING AND ACCOMMODATION

- The flow-on effects of the dramatic change in global economic circumstances in late 2008–2009 and continuing on to 2011–2013 are evident in the Middlemount community, with structural renovations to housing being discontinued in 2011. The condition of the un-renovated houses was an issue raised by many stakeholders.
- Existing and potential employees are seeking a commitment from Anglo American to recommence refurbishments of company owned housing to provide attractive, quality housing for employees and their families who indicate an interest in living in Middlemount rather than drive in drive out or fly in fly out. Existing and potential employees believe there is an opportunity to live locally, however the housing that is currently available is of low quality and appeal. This impacts negatively on a business's ability to attract and retain the workforce and achieve the desired perception as an "employer of choice."
- There is a strong opposition to increasing the reliance on Single Person Quarters (SPQ) camp-based accommodation, as the community believe this strategy will not contribute to the long term sustainability of the Middlemount community. The view is that Middlemount needs permanent residents and families to sustain existing services such as school and community health services and community infrastructure. These services are currently provided by the government based on resident population statistics.

COMMUNITY SPIRIT

- The majority of stakeholders felt Anglo American communicated very well through the Community Newsletter and they would like to see this continue. However, there was a desire for Anglo American to better communicate the status of the business to help local businesses with planning and reduce the circulation of speculation.
- In terms of social investments and sponsorships, stakeholders believe that a community notice advising who has received approved funding would be useful rather than waiting for an event to happen to see that Anglo American has supported it.
- As the majority of Middlemount residents continue to be employees of Capcoal and Foxleigh, the community has an expectation that Anglo American will continue to contribute directly to the Middlemount community and to the overall sustainability of the Bowen Basin. The community recognises

that Anglo American funds social infrastructure, however they perceive that contributions have declined over the past three years. There is strong support for Anglo American to continue with the support they currently provide to ensure family events such as the annual Christmas Carnival and Race Day continue.

- There has been a noticeable decrease in participation in community and sporting groups largely due to the more itinerant nature of the workforce and decrease in the number of families residing in Middlemount. The itinerant nature of the workforce has been driven by longer shift arrangements, flexible working hours, individual lifestyle choices and community liveability expectations. A large itinerant workforce also impacts on education and health services and the sustainability of the local businesses.

FACILITIES AND SERVICES

- The current services provided by C & K at the Middlemount Centre are kindergarten, day care and after-school care. Parents of young children using the centre are concerned with the lack of supervision during after-school hours and having their children exposed to bullying and unacceptable language. Some people also had concerns regarding the cost and quality of the service provided.
- With roster times making it difficult for sporting clubs to attract sufficient numbers to run fixtures, facilities such as the pool and gym should be maintained to better standards to provide health and fitness options that are not affected by shift times. Heating of the pool and air-conditioning of the gym are both options that stakeholders would like to see Anglo American invest. With the current demographic of young families, upkeep of the playgrounds and walking tracks is also seen as an investment opportunity for Anglo American.
- Various stakeholders identified a need for all Middlemount community and government stakeholders to work together to understand and manage Middlemount health and wellbeing issues. This will ensure that targeted initiatives focus on the health and wellbeing of both permanent and transient residents.

EDUCATION AND TRAINING

- Middlemount Community School's strategic planning workshops have identified a need for our local education providers to focus on remedial numeracy and literacy work for lower levels of primary education and extension learning opportunities for high achievers across all year levels.



SOCIAL MANAGEMENT PLAN

SOCIAL MANAGEMENT PLAN

With due consideration of the key socio-economic issues identified by Middlemount community stakeholders during the 2013 consultation process, the management of Capcoal and Foxleigh mines have agreed the key social management focus areas for the 2014–2016 period will be:

HOUSING AND ACCOMMODATION

Anglo American will continue to maintain an accommodation strategy to enhance the company as an “Employer of Choice” and contribute to the sustainability of Middlemount.

In addition to the refurbishments completed in 2011, Anglo American will continue to refurbish the remaining company-owned houses in accordance with its housing standards.

Anglo American will continue to monitor the Middlemount Accommodation Village to ensure any possible social impacts are identified and responsibly managed. Monitoring methods will include weekly meetings between Anglo American and the facilities management provider, Spotless, and fortnightly meetings with the Village Committee representatives.



COMMUNITY SPIRIT

Anglo American is committed to inclusive engagement with members of the Middlemount community. The Community Officer will continue to work with community members, community groups and clubs, education providers and the Isaac Regional Council to support local initiatives that benefit the community directly.

Areas of engagement will include:

- Effective communication and engagement of stakeholders through quarterly landholder information sessions and mine tours, weekly distribution of the Capcoal News, monthly meetings with the Isaac Regional Council Mayor, and ongoing participation in community group meetings.
- Working in partnership with all key stakeholders to identify community development opportunities and establishing a Community Engagement Group.
- Partnering with community bodies to foster community spirit through events, clubs and associations.
- Providing funding assistance and social investment within the community.
- Working with traditional landowners and Indigenous people.

Specifically regarding social investment and donations, Anglo American will utilise our resources to better target our social investment funding. Priority will be given to local initiatives that address community needs primarily in health, education and community services.

There will be up to two sponsorship rounds per year for community groups seeking funding, which will be advertised in Capcoal News and other local publications. Requests for funding will be assessed against criteria including alignment with priority areas, relevance to our local community and provision of sustainable benefits to the Middlemount community.

SOCIAL MANAGEMENT PLAN



FACILITIES AND SERVICES

Anglo American seeks to have a diverse range of suppliers represented in the supply chain. The Local Procurement Policy has an overarching objective to bring real benefit to local communities by enabling local businesses to access supply chain opportunities that arise.

Anglo American will work collaboratively with local businesses, major suppliers, the community and governments to create an enabling environment for local procurement and reach our global target of eight percent local procurement. This will include setting local procurement targets, allocating appropriate resources to enable effective delivery of local procurement, minimising potential barriers for small to medium sized businesses by simplifying our processes and clearly communicating our requirements, and developing a strategy to link local businesses with procurement demand.

With regards to health issues, Anglo American is committed to working with community and government agencies to understand and manage Middlemount residents' health issues. This will include targeted initiatives guided by the community's needs. Priority areas identified include:

- Ensuring adequate doctor/resident ratio.
- Providing support to bring specialist medical services to the community when required.
- Supporting health initiatives that improve the health and the lifestyle of our community.

To encourage all stakeholders to work together to better understand local health and wellbeing issues, Anglo American has started the process of establishing an Anglo American Community Engagement Group in which the Community Officer will provide a liaison contact between Anglo American and the community on related issues.



EDUCATION AND TRAINING

Anglo American has an ongoing commitment to work with the community and relevant organisations to ensure childcare availability for Middlemount families. An upgrade to the existing childcare facilities will be completed in partnership with the Isaac Regional Council to ensure the facilities meet the needs of the community. This project will be funded from the special rates levy.

Anglo American is committed to maintaining a strong relationship with the Middlemount Community School and supporting the provision of quality education for Middlemount students. Anglo American will work with the school to attract government funding for educational programs and the Community Officer will continue to build a relationship with the school and with youth organisations in the community.



ANGLO AMERICAN

201 Charlotte Street
Brisbane QLD 4000
GPO Box 1410
QLD 4001 Australia

T +61 (0) 7 3834 1333
F +61 (0) 7 3834 1366

www.angloamerican.com.au

Real Mining. Real People. Real Difference.