

CAPCOAL COMPLEX

Socio-Economic Assessment
Toolbox Report 2019-2021



Copyright

Anglo American is the sole owner of the intellectual property contained in any documentation bearing its name. All materials, including internet pages, documents and online graphics, audio and video, are protected by copyright law.

Apart from any fair dealing for the purposes of private study, research, criticism or review as permitted under the provisions of the **Copyright Act 1968**, no part of this document may be reproduced, transmitted in any form or re-used for any commercial purposes whatsoever without the prior written permission of **Anglo American**.

This document represents the status of the topic at the date shown, and is subject to change without notice. The latest version of this document is available from Document Control.

© 2019 Anglo American. All rights reserved.

Disclaimer

Anglo American accepts no liability for any damage whatsoever that may result from the use of this material or the information contained therein, irrespective of the cause and quantum thereof.

For more information or to give feedback on this document, please contact Anglo American.

CONTENTS

1	Introduction	6
2	Objectives and Approach	8
3	Profile of Capcoal Complex	11
4	Existing Social Management and Investment	14
5	About the Middlemount Community	20
6	Impact Identification and Assessment	28
7	Social Management Plan	36
8	Next Steps and Responsibility	40
9	References	41
10	Contact Details	42
11	Complaints and Grievance Procedure	42

EXECUTIVE SUMMARY

This report presents the outcomes of the Anglo American Socio-Economic Assessment Toolbox (SEAT) community consultation process conducted between August and October 2018 for Anglo American's operations in Middlemount, which includes Capcoal Open Cut Mine, Grasstree Mine and the Coal Handling and Preparation Plant (CHPP).

The purpose of the report is to document the findings of the SEAT consultation process, provide feedback to participants and document our commitment to deliver more sustainable, locally focused and transparent benefits in partnership with the local community. This is the third SEAT process undertaken for Anglo American operations in Middlemount.

A message from CEO Metallurgical Coal business, Tyler Mitchelson

As one of Central Queensland's major employers, we understand the importance of community.

Our operations directly and indirectly provide employment for thousands of people across Queensland, particularly in the areas where we operate around Moranbah, Middlemount, Moura, Banana and Theodore. We don't just operate alongside communities – we're part of them.

It's my firm belief that our communities should benefit from our presence, and at Anglo American, we're committed to making that happen.

Our goal - and a key pillar of Anglo American's Sustainable Mining Plan - is to support thriving communities, for the benefit of our people, their families, their communities and local economies.

We have a proud history of supporting local sustainable development initiatives, with a targeted social investment and donations policy that aims to improve health and education services and facilities, and increase the liveability of our host communities.

Over the last few years we've provided ongoing support for organisations such as RACQ CQ Rescue Service, which delivers life-saving aeromedical and emergency helicopter rescue services across Central Queensland; Queensland Minerals and Energy Academy Skills Camp, which provides training and skill development sessions for students; the Moura Miners Memorial, paying tribute to those who lost their lives in mining disasters; and many other local health, education and community service providers.

To support regional economies, we have a policy that encourages sustainable, responsible local procurement. In 2017-2018 financial year, Anglo American's Metallurgical Coal business invested heavily in locally-sourced and state-based procurement with 73% of our spend occurring in Queensland.



But we know we can do more.

Our purpose is to re-imaging mining to improve people's lives, and we apply this to the way we operate in our communities too.

To ensure we create shared value, we follow Anglo American's Social Way, a governing framework for how we act as a community member. As part of Social Way, all Anglo American-managed operations are required to conduct a comprehensive Socio-Economic Assessment Toolbox (SEAT) process every three years.

Anglo American was the first mining company to adopt this kind of approach, and it reflects our commitment to partnership and open, honest engagement with our stakeholders.

Throughout the SEAT process, we engaged with a wide range of community members, listening to your views about the impacts of our organisation on your local areas. Importantly, we also heard your priorities for our future investment, and drew on this feedback to help determine our way forward over the next few years.

This report provides a snapshot of the key matters raised by the community and sets out our socio-economic investment priorities for the years ahead. We are proud to share it with you, and to continue to engage closely with our communities.

Tyler Mitchelson

CEO Metallurgical Coal
Anglo American



INTRODUCTION

1.1 Background

To be productive, safe, responsible and sustainable, Anglo American's operations must live alongside thriving communities. The business has the potential to contribute to the sustainable development of regions and to improve the prospects of those who are touched by our operations.

To create shared value, the company follows Anglo American's Social Way, a governing framework for social performance. It sets out clear requirements for all Anglo American-managed sites to ensure that systems are in place to:

- Engage with affected and interested stakeholders
- Avoid, prevent, mitigate and where appropriate, remediate adverse social impacts
- Maximise development opportunities.

As part of Social Way, all Anglo American-managed operations at all phases of development are required to conduct a comprehensive Socio-Economic Assessment Toolbox (SEAT) process every three years, which provides a governing framework for managing social performance.

This report presents the findings of a study to assess the socio-economic impacts of Anglo American's Capcoal complex, comprising Capcoal Open Cut Mine, Grasstree Mine, Coal Handling and Preparation Plant (CHPP) and Anglo American-managed town assets. The study was guided by the Socio-Economic Assessment Toolbox (SEAT) Version 3.

1.1.1 Divestment process

In 2016, Anglo American initiated a divestment process for all coal assets in Australia to reduce net debt and realign the company's balance sheet. As a result, community activities and contributions were significantly reduced during this period. However, Anglo American continued to support several local initiatives, including:

- Moura kindergarten and hospital support funding, as well as the Moura Miners Memorial
- Middlemount Youth Centre activities and programmes and the Middlemount Race Club event
- Funding the Queensland Music Festival Isaac Project, providing concerts with local entertainers
- Sponsorship for the CQ Rescue Service, which delivers life-saving aeromedical and emergency helicopter rescue services to the Central Queensland community, including our employees and their families
- Sponsorship for the Queensland Minerals and Energy Academy Skills Camp, which conducts training and skill development sessions for the industry in the region.

In May 2017, Anglo American reversed the divestment decision, announcing its decision to remain in Australia with a specific focus on metallurgical coal assets in Queensland's Bowen Basin.

1.2 Structure of report

The first section of this report consists of an introduction to the SEAT process followed by Anglo American sites globally. It sets out the objectives and the approach applied, as well as identifying the stakeholders consulted during the SEAT assessment process, in late 2018.

Following this, Capcoal complex operations are profiled to highlight details including site location, employment, future capital investment and expansion plans, existing closure plans and other economic activity in the region.

This report then identifies existing social management initiatives and key community investments made within the Middlemount community.

Finally, the current socio-economic impacts (both positive and negative) of the Capcoal complex on the community of Middlemount are presented and the key social management focus areas for the following three-year period 2019 – 2021 are identified.

Information from this report will be incorporated into Anglo American's internal Social Performance Strategy and Socio-Economic Development Strategy, which guide the business on social investment and performance.

1.3 Acknowledgements

Anglo American thanks all stakeholders who contributed to this SEAT process, whether through provision of data and information, completion of surveys or participation in focus groups.





OBJECTIVES AND APPROACH

2.1 Objectives

The objectives of the SEAT process are to:

- Improve Anglo American's understanding of our socio-economic impacts, both positive and negative
- Identify the key social and economic issues that need to be managed in the local community
- Build a meaningful dialogue with stakeholders to gather feedback on social initiatives, the socio-economic effects of core business activities and co-identify where improvements might be made
- Develop a plan for managing the operation's social and economic impacts, including social investment and ensure capacity
- Scope goals and indicators to track impact moving forward.

2.2 Approach

The SEAT assessment is a continual improvement process that allows Anglo American to assess and enhance social-economic practice. It is not driven by legislative requirements but forms a key pillar of Anglo American's global Sustainability Strategy – Creating thriving communities. Furthermore, FutureSmart Mining™ is our innovation approach and enables our businesses to reinforce positive contributions.

There are seven steps to a SEAT cycle (as illustrated in the diagram, right). Broadly, these include understanding where we operate and our impacts, prioritising social performance issues and then putting improvement plans into practice. Stakeholder engagement is key through-out. This report (step 7) summarises findings from direct engagement with stakeholders, analysis of business data and internal reviews and discussions on the appropriateness of current procedures along with future priorities.

One of the core objectives of the SEAT process is to assess existing social management initiatives and investment, provide feedback on their success and suitability, and to identify where improvements might be made.

As part of the company's alignment with international best practice, Capcoal complex follows Anglo American's Social Way policy. The policy outlines a governing framework for social performance including responsibilities for leaders to follow its core principles of:

- Delivering a lasting positive contribution to communities
- Managing risks and impacts
- Respecting human rights
- Engaging with affected and interested stakeholders
- Empowering vulnerable and marginalised groups
- Integrating social performance within relevant departments and activities within the operation.

Anglo American's commitment as part of this policy is to conduct SEAT assessments and deliver reports every three years and to report regularly on progress made to stakeholders. Commitments made in this report are delivered through:

- Direct benefits flowing from core operations: including local employment, local procurement, housing, public tax contributions, skills and competencies investment
- Indirect impacts created through suppliers' and employees' spend in communities
- Community Social Investment (CSI) – resources (time, money, skills and physical assets) invested to address community need.

In conducting our core activities and social investment we:

- Maintain Stakeholder Engagement Plans (SEPs)
- Implement an external complaints and grievance mechanism
- Action Culture and Heritage Management Plans (CHMPs) with Traditional Owners and the local authorities
- Maintain a local supplier policy.

These processes are described in more detail in the mechanisms to manage social performance section below.

Anglo American's stakeholder engagement team oversees the SEAT process with support from all appropriate site level functions.



2.3 Stakeholder engagement undertaken during SEAT process

Anglo American engaged Ernst & Young (EY) to conduct stakeholder engagement to support the SEAT process from August to October 2018. This process involved focus groups with community stakeholders, online and hard-copy surveys and an outreach stall run over two days in Middlemount's local shopping centre to gather verbal feedback and encourage survey completion. Additionally, EY engaged with representatives from Barada Kabalbara Yetimarla people to understand the perception of Anglo American operations from within Traditional Owner groups.

The purpose of the stakeholder engagement was to hear about issues of concern to community stakeholders, and to receive feedback on the effectiveness of Anglo American's community activities.

2.3.1 Focus groups

EY facilitated focus groups with community stakeholders, which included 44 participants. Stakeholders were invited to thematic focus groups based on their backgrounds. Conversations were structured around:

- Co-defining what a thriving Middlemount community would look like
- Identifying outcomes and impacts relating to Anglo American's activities experienced since the previous Capcoal complex SEAT report
- Identifying existing strengths and resources that exist in the community to achieve broader community outcomes
- Identifying resources Anglo American could contribute
- Understanding key concerns (issues) of the community.

2.3.2 Operational stakeholders

Stakeholders are individuals, groups or organisations that either affect or are affected by the activities and operations of the Capcoal complex operations. They can be categorised as impacted stakeholders (affected parties) and then alongside these are representative groups which may be authorities or interest groups.

Specifically, the stakeholders of the Capcoal complex operations include:

Impacted stakeholders:

- Capcoal complex contractors and employees
- Young people and student residents
- Vulnerable groups: Older residents, culturally and linguistically diverse (CALD) and differently abled
- Local business owners
- Traditional Owners (local)
- Neighbours (landowners and leaseholders)
- Anglo American tenants
- Regional residents/local community
- Anglo American suppliers
- Local service providers
 - * Emergency services
 - * Health services
 - * Education and childcare service.

Highly influential representative stakeholders:

- Isaac Regional Council
- State and Federal Government
- Unions
- Media (local, state and national).

Age of survey respondees

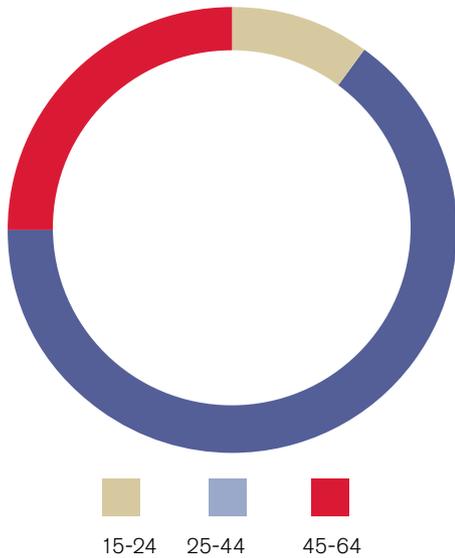


Figure 1: Age of Capcoal complex survey respondees

Gender of survey respondees



Figure 2: Gender of Capcoal complex survey respondees

PROFILE OF CAPCOAL COMPLEX

Anglo American's Metallurgical Coal business is part of the Anglo American group, and currently operates and manages five metallurgical coal mine sites in the Bowen Basin, in Central Queensland.

In the Middlemount area, Anglo American owns and operates the Capcoal Open Cut and Grasstree metallurgical coal mines. The company is a major employer in the Middlemount region, and has built a strong presence in the community. Anglo American intends to make a continued positive impact on the local region, and actively contributes to improving services and facilities in the area.



3.1 Operational information and location

Capcoal complex consists of two mines: Capcoal Open Cut and Grasstree Mines, which are located approximately 60 kilometres South-West of the township of Middlemount, and 120 kilometres north-west of Emerald in the Bowen Basin, Central Queensland. Capcoal complex is a joint venture between Mitsui Coal Holdings (30 per cent equity share) and Anglo American who is the operator of the mine.

In 2017, Capcoal complex produced 6.7 million tonnes of saleable metallurgical coal (Anglo American share). Exports are shipped from the Gladstone Port and Dalrymple Bay Coal Terminal near Mackay, Queensland.



3.2 Future capital investments and expansion plans

Anglo American continues to invest in the development and expansion of the Capcoal complex. Plans are underway in 2019 for an extension of Grasstree Mine for an additional five new longwall panels, which will extend the life of the mine for another three years.

In addition, Anglo American has commenced a feasibility study into a brownfield development within the Capcoal mining leases. The project is planning to extract reserves from the Aquila and Aquila Lower seams, which occur in the upper part of the German Creek formation. The Aquila project will operate as an additional extension to the life of Grasstree Mine.



Figure 3: Location of the Capcoal complex, relative to local towns and other Anglo American operations

3.3 Existing closure plans

Mine completion planning is fundamental for mining operations and are designed to mitigate potential impacts of mine closure. In Australia, requirements for mine completion planning are set out in federal and state legislation, and industry guidance. Mine completion ultimately determines what is left behind as a benefit or a legacy for future generations, but also suggests ways to foster economic independence for local businesses as well as ways to best utilise the mine's infrastructure and land (once that land has been rehabilitated).

Anglo American has developed a mine closure toolbox to assist mine completion plans for various stages of operations. These plans aim to:

- Leave a sustainable, positive legacy within the Middlemount community
- Attain a closure certificate from relevant authorities without conditions attached
- Make closure planning part of its operational philosophy and integrate mine closure planning in its strategic business plans
- Undertake effective stakeholder engagement as a key component of mine closure planning and implementation.

3.4 Surrounding business environment

The Isaac region's gross regional product (GRP) is \$5.9 billion, 75% of which comes from the resources industry (Isaac Regional Council n.d). As at 2018, there are 27 operational coal mines across the region, collectively producing 54% of Queensland's coal (Isaac Regional Council 2018). In addition to coal, the region contains significant mineral, gas and other extractive resources.

With significant solar resources, the Isaac region is considered to be an ideal location for solar farm development and biofuel production. The region is also home to a diverse agriculture economy, particularly beef cattle grazing and broad-acre cropping (Isaac Regional Council n.d).

EXISTING SOCIAL MANAGEMENT AND INVESTMENT



Anglo American conducted a SEAT report for the region from 2014 to 2016; this section highlights some of the major social investments and economic contributions during that time (notwithstanding the divestment period, please see Background).

4.1 Existing social management activities, including current stakeholder list

Anglo American's previous SEAT process (2014 – 2016) identified four priority areas for social performance: housing and accommodation, community spirit, facilities and services and education and training.

In addition, Anglo American continued to contribute to the Middlemount community, through:

- Sourcing materials from over 83 local suppliers
- Funding key community events such as the Middlemount Race Day and Middlemount Pro-Am
- Supporting integral community facilities, including funding of the Middlemount Golf Clubhouse
- Subsidised housing for key community members, including the provision of a medical doctor, youth worker and local business owners
- Funding equipment and ongoing maintenance for a youth centre
- Appointing a dedicated Community Relations Specialist.

4.1.1 Current stakeholder list

The current stakeholder list for Capcoal complex is included below.

- Capcoal complex mine contractors and employees
- Young people and local residents
- Vulnerable groups: Older residents, Culturally and Linguistically Diverse (CALD) & differently abled
 - * Hinterland Community Care
- Local business owners
 - * Various local business owners
- Traditional Owners
 - * Barada Kabalbara Yetimarla people
- Neighbours to Capcoal complex (landowners, leaseholders)
- Anglo American tenants
 - * Capcoal complex accommodation
- Regional residents and otherwise self-identifying local 'community'
 - * Isaac Regional Council community representative
 - * Middlemount Youth Support
 - * Middlemount Rural Traders
 - * Middlemount Community Church
 - * Middlemount Youth Group
 - * Middlemount Community Sports Association
- Capcoal complex suppliers
 - * Spotless Facilities Management
- Emergency Services (Hospital, SES, QAS, Police, Rural Fire Service)
 - * Ambulance
 - * Middlemount Police
 - * Middlemount Fire Service
 - * Middlemount SES
- Health Services
 - * Middlemount Family Medical Centre
 - * Middlemount Pharmacy
 - * Rural and Regional Physiotherapist
 - * Middlemount Community Health Centre
- Education and child services
 - * Middlemount Community School
 - * C&K Childcare
 - * Mulligrubs playgroup
- Isaac Regional Council
- State and Federal Government
- Media (local, state and national)

4.2 Existing socio-economic benefit delivery

4.2.1 Approach to Community Social Investment (CSI) Programs

Anglo American works with the community to co-define what a thriving town looks like and the means to achieve it. Working to address the specific needs for remote Australian communities, the site has used its CSI funds to support community-driven initiatives around priority SEAT areas.

Following the consultation process in 2013, the key issues raised by stakeholders were categorised into the following four areas:

- Housing and accommodation
- Community spirit
- Facilities and services
- Education and training

CSI spend has been focused on delivering outcomes to the community in these areas. During the divestment process, significant new non-essential expenditure was put on hold while the Anglo American reviewed its long-term mine investment decision. Capcoal complex continued to make other community contributions including management of the shopping centre, provision of the town doctor, town maintenance and support with water infrastructure.

In 2018, Anglo American proudly supported the following groups and organisations:

- Middlemount Community School P&C through a grant for tables and chairs in the school playground and donations towards the Variety Bash Raffle.
- Middlemount Community School through a grant for 90 lockers and donation towards the end of year awards night
- Middlemount Community Sports Association through a grant to go towards Swimming club timing system and software, MCSA merchandise, Cricket equipment and net installation and Netball Courts
- Middlemount Wellbeing Hub through donations to support well-being initiatives and the community engagement of residents
- Middlemount Boxing and Fitness through donations towards purchasing of IT equipment, and housing for families for their Middlemount Fight Night

- Middlemount Junior Motocross the donation of diesel fuel and funds towards a tractor
- Middlemount Youth Support through support for running of the Youth Centre as well as funding for the Kids at Risk and Professional Development programs and housing subsidy
- Middlemount Golf and Country Club via sponsorship of the 2018 Pro-Am
- Middlemount Rodeo Association through major donation towards running the 2018 Rodeo
- Middlemount Race Club through sponsorship of the 2018 Middlemount Race Day.

In 2017, Anglo American proudly supported the following groups and organisations:

- Middlemount Rodeo and Camp Draft Association through support for the 2018 Middlemount Rodeo & Camp Draft
- Donation towards of the renovation of the Middlemount Golf & Country Club and sponsorship of their 2017 Pro-Am
- Middlemount Race Club through a grant to support of the 2017 Middlemount Race Day
- Middlemount Milers via donation towards running track and training program
- Central Highlands Wildlife Carers through donation to purchase cages for animal care
- Middlemount Youth Support through support for running of the Youth Centre as well as funding for the Kids at Risk and Professional Development programs and housing subsidy.



4.2.2 CSI application process

Site Leadership Teams (SLTs) set the budget for CSI spend each year. Advertisements for CSI applications are announced twice yearly and application forms are provided to interested parties, with the Anglo American community team available to support interested parties to complete applications if appropriate. The community team and a site committee team assess CSI applications against priorities identified during the SEAT process as well as against Anglo American internal business integrity requirements. Following this, applicants are notified of the outcome.

Anglo American conduct internal audits for compliance with the social investment and donations policies which include a business integrity audit. In addition, an annual third party audit is undertaken by Anglo American on randomly selected business units and projects.

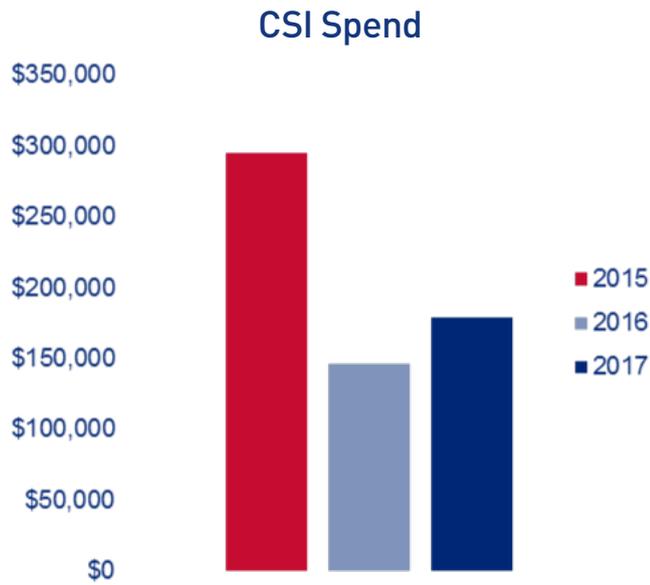


Figure 4: Capcoal CSI spend 2015-2017

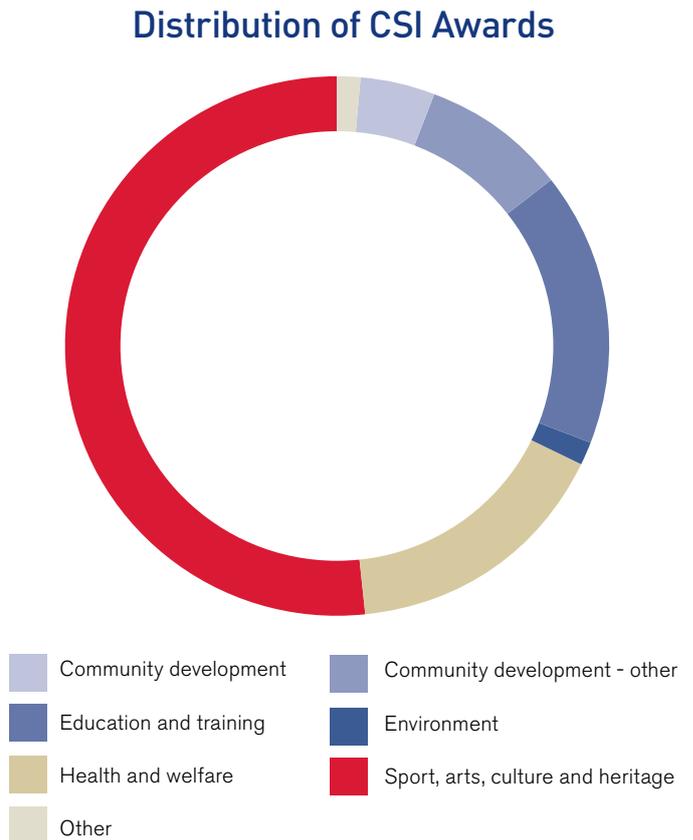


Figure 5: Capcoal distribution of CSI 2015-2017

Within the category of 'education and training' grants were primarily received by the school and childcare facilities for events and facilities. Within the category of 'sport, arts, culture and heritage' funding was largely directed to community events and sports equipment.

4.2.3 Mechanisms to manage social performance

The table below summarises the tools, processes and mechanism used by Anglo American to ensure social performance is integrated into operations.

MECHANISM	DESCRIPTION AND OBJECTIVE
Community Relations Specialist	<p>In 2018, Anglo American employed a Community Relations Specialist dedicated to the Capcoal complex. A core part of the role is to strengthen the relationship with local stakeholders.</p> <p>A key objective of this role is for the development and delivery of key social performance initiatives to directly contribute to the maintenance and enhance Anglo American's social licence to operate.</p>
Stakeholder Engagement Plan	<p>Capcoal complex maintains a database and plan for proactively engaging with stakeholders including community representatives.</p> <p>The aim is to maintain two-way communication and ensure Anglo American listens to the concerns and interests of stakeholders as well as sharing information on the business.</p>
Complaints and Grievance Procedure	<p>An effective, fair and transparent instrument for recording, handling and resolving complaints and grievances of stakeholders is an important part of Capcoal complex's stakeholder engagement framework. The intention is to address stakeholder concerns using tools that are standardised across Anglo American.</p> <p>Anglo American's Capcoal complex operations have a social incidents and complaints procedure that can be accessed online or from the town office. In addition, our external reporting service, Speak Up, is operated by an independent third party, Deloitte Tip-Offs Anonymous, and the service can be reached by phone, email, fax, post or via the Speak Up website: www.speak-up-site.com.</p>
Health, Safety and Environment	<p>Anglo American is committed to achieving zero harm and ensuring our workforce are safe and healthy at all times. One way we achieve this is through the effective management of occupational health and safety risks within and around our operations. We seek to minimise our impact on the environment by designing, building, operating, rehabilitating and closing all of our operations in an environmentally controlled and responsible manner that minimises pollution and eliminates where possible or prevents irreversible environmental impacts.</p>



MECHANISM	DESCRIPTION AND OBJECTIVE
Cultural Heritage Management	<p>In 2015, Anglo American representatives met with the Traditional Owner groups of the Capcoal Complex, Barada Kabalbara Yetimarla people to sign the cultural heritage Investigation and Management Agreement for the mine.</p> <p>The plans formalise Anglo American's ongoing commitment to the protection and management of the cultural heritage at the mine.</p>
Life of Mine Plan	<p>A long-term plan that considers the social, environmental and economic legacy of the mine. The aim of this plan is to maximise value for all stakeholders at all points in the mine's lifecycle.</p>
Local Procurement	<p>Local procurement is of strategic importance to Anglo American. It plays a key role in securing and maintaining our right to mine, developing thriving and healthy host communities, creating efficiencies in our supply chain and ensuring reliable access to critical supplies. The objective of local procurement is to enable access by local businesses to supply chain opportunities that arise from the presence of our projects and operations. Anglo American comply with the Queensland Resources and Energy Sector Code of Practice for Local Content 2013 and report bi-annually to QRC on our local content spend.</p>
Anglo American Housing	<p>Anglo American provides housing incentives to ensure that the company is able to attract and retain employees. This is essential to successful operations because it ensures our employees have access to accommodation that is in line with the market standard and pricing.</p>
Social and Human Rights	<p>The Capcoal complex has carried out a baseline risk assessment of the establishment, operation, support services, new projects and decommissioning of the whole operation. In particular, the risk assessment looks at social and human rights risks as a result of operations and establishes a set of controls to mitigate potential unwanted events.</p>
Community Services Leave	<p>Anglo American employees have both duties and responsibilities in the workplace, in their family environment and in the community in which they live. Community services leave recognises the need for employees to undertake these duties and responsibilities within the community. Anglo American will support the communities within which it operates by providing employees with paid leave to undertake their civic duties or to meet the responsibilities associated with the organisations they belong to in the community.</p>



ABOUT THE MIDDLEMOUNT COMMUNITY

5.1 Introduction

Middlemount is located in the Isaac Regional Council area.

5.1.1 Facilities and services

Community services include a medical centre, a childcare centre, hotel/motels, shopping centre, caravan park, skate park, well equipped parks, restaurants, golf course, other sporting facilities including an Olympic size pool, and the Bundoora Dam used for camping, skiing and fishing.

5.1.2 Housing and land

Middlemount has a high median weekly household income of \$2,405 (AUD) per week, which is \$967 (AUD) per week more than the Australian median weekly household income (ABS, 2016). Since 2014, unemployment in the Isaac region has remained well below the Australian unemployment rate (ABS 2018).

House prices have declined since 2015 however stakeholders noted during stakeholder consultation that there are ongoing issues with housing affordability, particularly those not on mining incomes.



Figure 6: Australian Unemployment rate (Source: ABS 2018)

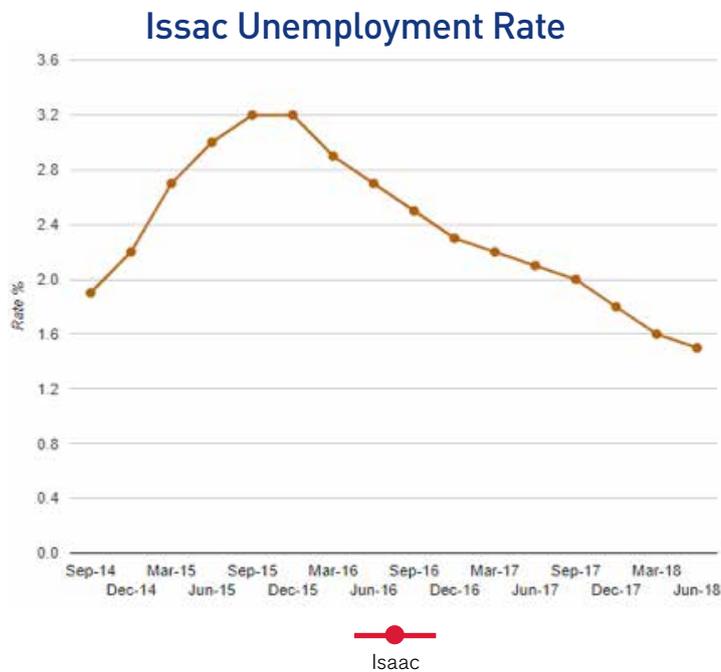


Figure 7: Isaac Unemployment rate (Source: Isaac Regional Council n.d.)

Median Land Values



Figure 8: Middlemount median land values 2015-2017 (Source: DNRME 2018)

5.1.3 Community events

Community events are an important aspect of the Middlemount social fabric. Each year, the Middlemount Race Club hosts the Middlemount Race Day which is a major social highlight for the community and surrounding areas.

5.2 Geographic and historical context

Capcoal Open Cut Mine (originally known as German Creek) was developed by the Capcoal joint venture, which included Shell Coal. The project was initially an open cut operation, though provisioned for future underground mining to achieve scale for the operation. Considering the scale and nature of the operation and its location in a semi-remote part of Queensland, Anglo American provided major supporting infrastructure, including the establishment of the new town of Middlemount.

Open cut mining commenced at German Creek in late 1981, and the mine was officially opened by His Royal Highness the Duke of Edinburgh in 1982. Underground coal mining started at Southern Colliery in 1988. Open cut mining moved to Capcoal's Oak Park lease in 2004, and the Lake Lindsay lease area in 2008 where it continues today.

Anglo American commenced operating the mine after acquiring Shell Coal assets in 2000. Construction of the Grasree underground mine commenced in 2001 and first production was in 2002. In 2015, Grasree broke an Australian single production record, achieving 10 million tonnes per annum run-of-mine (ROM) coal.

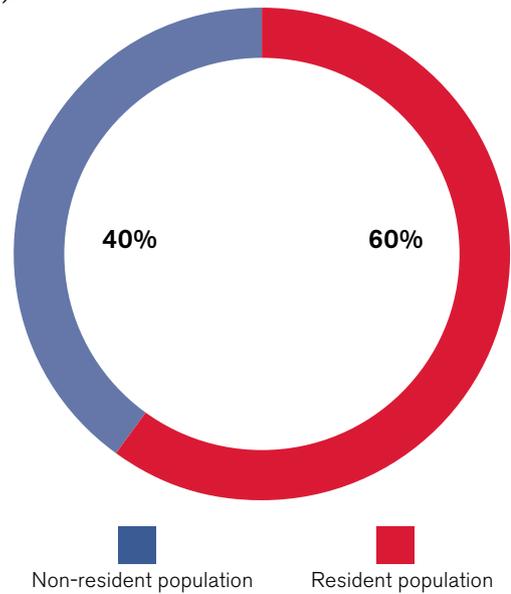
Surface infrastructure comprises a coal handling and preparation plant (CHPP), clean stockyard and rail load out, all of which are shared with ROM coal from the Grasree longwall and Capcoal Open Cut operations. In 2017, the Capcoal Open Cut and Grasree mines produced 6.7 million tonnes of saleable coal (Anglo American share).

The Capcoal complex includes Capcoal Open Cut Mine, Grasree Mine, the CHPP and the Anglo American-managed assets located in Middlemount.

5.3 Demographics

Approximately 30% of Middlemount residents are employees of Anglo American (Anglo American, ABS 2016). In addition, many residents who are not employees of Anglo American are employed elsewhere in the coal mining industry or in other businesses that serve Anglo American's mines and the coal industry generally.

Middlemount's population is approximately 3,000, with a median age of 30 years old, eight years younger than the Australian median age. Middlemount's gender balance in the population is 44% female and 56% male (ABS, 2016).



5.3.1 Semi-permanent residents

Through consultation with stakeholders, a reoccurring concern for stakeholders was the work arrangements of Anglo American employees, principally the non-resident workforce. In particular, stakeholders expressed concerns regarding the mental health effects of long-distance work travel and perceived lifestyle instability. In 2015, the Queensland Government commissioned a parliamentary inquiry into Fly-In Fly-Out (FIFO) and other long distance commuting work practices in regional Queensland, including mental health impacts (Queensland Government 2015).

The parliamentary inquiry identified a range of serious impacts on FIFO workers and communities, and the Government's response (Queensland Government 2016) detailed a range of measures to be adopted, including:

- Improved social impact assessments by mining companies
- Workforce plans that maximise the opportunity for local workers to get jobs
- Workers to live in local existing housing, or in purpose-built villages, where there is community support
- Accommodation that provides a safe, clean and healthy environment for workers.

Further research has been produced by the WA Mental Health Commission in 2018 into the impact of FIFO work arrangements on the mental health and wellbeing of FIFO workers (Government of Western Australia Mental Health Commission 2018).

Anglo American has noted these findings and is working to address them through operations planning.



5.4 Stakeholder relations, needs, issues and concerns

Stakeholders are engaged across various departments using a variety of channels and forums. Feedback in 2018 reflected a desire for greater engagement with stakeholders. As a result Anglo American has established a community shopfront and produces regular newsletters to improve our communication with the Middlemount community. Additional stakeholder relations activities include:

STAKEHOLDER GROUP	ENGAGEMENT ACTIVITIES	ANTICIPATED IMPACTS/ CONCERNS	FREQUENCY OF ENGAGEMENT	CURRENTLY ENGAGED
Employees and contractors	<ul style="list-style-type: none"> Email Union meetings Newsletters 	<ul style="list-style-type: none"> Livelihood status including work-life balance Working conditions and rights Health, education and local infrastructure Housing Community cohesion 	<ul style="list-style-type: none"> When required 	
Young people and student residents	<ul style="list-style-type: none"> Visits to the schools 	<ul style="list-style-type: none"> Recreational and sports opportunities Education quality Employability pathways Health 	<ul style="list-style-type: none"> When required 	
Vulnerable groups: Older residents, culturally and linguistically diverse (CALD) & differently abled	<ul style="list-style-type: none"> Community Relations Specialist to participate in Council and local support organisation-led focus groups. 	<ul style="list-style-type: none"> Care services (lack of specialists in region) Accessibility to culture, sports and community infrastructure Social cohesion 	<ul style="list-style-type: none"> Quarterly meeting via interagency network 	Newly identified group
Local business owners	<ul style="list-style-type: none"> Community Relations Specialist and Supply Chain to engage through one-on-one visits and forums. 	<ul style="list-style-type: none"> Spending patterns/ incomes of local residents and Anglo American Infrastructure, planning and services Diversification into "niche" sectors Tourism 	<ul style="list-style-type: none"> Biannual 	
Traditional Owners	<ul style="list-style-type: none"> Environment team and Cultural Heritage Co-Ordinator schedule meetings 	<ul style="list-style-type: none"> Cultural heritage Land and planning Community cohesion 	<ul style="list-style-type: none"> When required 	
Neighbours to Capcoal Complex (landowners and leaseholders)	<ul style="list-style-type: none"> One-to-one meetings with neighbours Newsletters Shop front open door policy 	<ul style="list-style-type: none"> Noise, air and water Pressure on local resources Infrastructure access Land title changes 	<ul style="list-style-type: none"> When required 	
Anglo American tenants	<ul style="list-style-type: none"> Meeting with Facilities Management representative Social media 	<ul style="list-style-type: none"> Housing Infrastructure 	<ul style="list-style-type: none"> When required 	

STAKEHOLDER GROUP	ENGAGEMENT ACTIVITIES	ANTICIPATED IMPACTS/ CONCERNS	FREQUENCY OF ENGAGEMENT	CURRENTLY ENGAGED
Regional residents and otherwise self-identifying local 'community'	<ul style="list-style-type: none"> • One-to-one engagement • Newsletters • Shop front open door policy • Social media 	<ul style="list-style-type: none"> • Housing affordability • Security • Culture and heritage • Health and sport • Education • Social cohesion • Local economy • Employment • Environment quality/ resource pressures 	<ul style="list-style-type: none"> • When required 	
Capcoal complex suppliers	<ul style="list-style-type: none"> • Facilities management and Supply Chain team emails and meetings 	<ul style="list-style-type: none"> • Procurement patterns • Housing, building or infrastructure that suppliers service 	<ul style="list-style-type: none"> • When required 	
Emergency Services (Hospital, SES, QAS, Police, Rural Fire Service)	<ul style="list-style-type: none"> • Community representative meetings • Interagency meetings 	<ul style="list-style-type: none"> • Service pressure and cost • Infrastructure quality • Public and community health observations (indirect) 	<ul style="list-style-type: none"> • When required 	
Health services	<ul style="list-style-type: none"> • Interagency meetings • Safety Team Contract Management Meetings 	<ul style="list-style-type: none"> • Health of local residents • Aging population pressures • Lack of specialists and limited infrastructure • Accessibility for fly-in specialists 	<ul style="list-style-type: none"> • Quarterly / Monthly 	
Education and child services	<ul style="list-style-type: none"> • Meetings with schools • Visits to schools 	<ul style="list-style-type: none"> • Quality and range of opportunities and resources available for Middlemount youth 	<ul style="list-style-type: none"> • When required 	
Isaac Regional Council (represent local residents)	<ul style="list-style-type: none"> • Meetings with Members, Mayor, CEO and relevant committees and officers. 	<ul style="list-style-type: none"> • Local economy • Infrastructure • Community services • Regional development broadly 	<ul style="list-style-type: none"> • Quarterly 	
State and Federal Government (represent local residents)	<ul style="list-style-type: none"> • Meetings with elected officials 	<ul style="list-style-type: none"> • Regional/local economy • Infrastructure • Natural Resources • Environment and Heritage • Regional development broadly 	<ul style="list-style-type: none"> • When required 	
Media	<ul style="list-style-type: none"> • Media releases • General meetings 		<ul style="list-style-type: none"> • When required 	

5.5 Economy livelihoods and labour force

Anglo American's Capcoal complex provides direct employment for more than 1,000 of the 21,462 available jobs in the Isaac region. This is around 8% of the estimated 13,080 workforce employed in the mining sector in the Isaac region (Isaac Regional Council n.d). Direct employment accounts for 262 full-time equivalent permanent employees and 744 full-time equivalent contractors to support the operations.

In 2017, 40% of Middlemount's population were non-permanent residents. Non-residents are defined as employees who are living in the area of their workplace at a time, but also have a residence elsewhere.

	GRASSTREE	CAPCOAL OPEN CUT
Contractors	336	408
Employees	130	132

Current as at August 2018

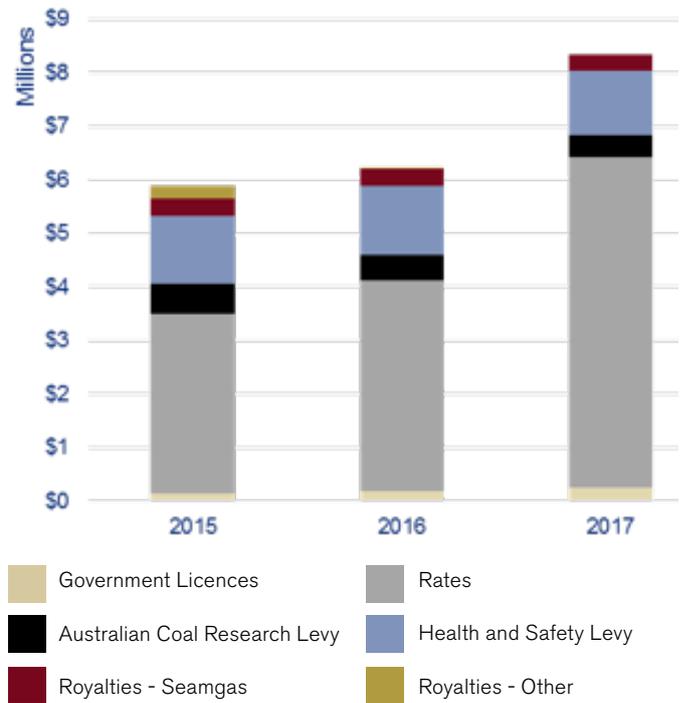
5.5.1 Socio-economic activities

Socio-economic impacts are tracked through company record keeping. Socio-economic data is reported below, highlighting Anglo American public contributions, local procurement, employment and housing. Socio-economic data is complemented by perceptions captured through consultation based on stakeholders' experiences.

5.5.1.1 Economic contributions

Socio-economic activities flow from the operations of the mine such as local procurement, and the payment of taxes and royalties. If managed responsibly, such activities can have a ripple effect such as stimulus for the local economy and growth in other sectors. Capcoal complex has steadily increased royalties and public rates paid since 2015. The most significant increase has been in export royalties which increased from \$109M to \$237M between 2016 and 2017. Charitable donations have increased from \$117,000 per annum to \$271,000 across the three years.

All Other Public Contributions



Export Royalties



Figure 10: Middlemount Public contributions and royalties

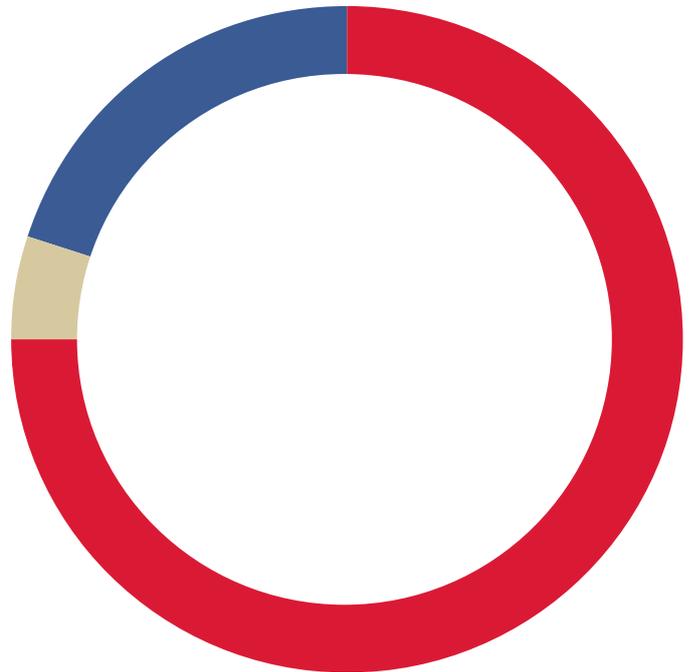
5.5.1.2 Local procurement

Capcoal complex's local spend has slightly decreased over the last four years from \$25.4M in 2015 to \$17.8M in 2018. In 2017 local spend was 12% of total supplier spend. The international average was 23% for Anglo American with host communities in 2017 and 2016 (Anglo American Annual Report 2017, p28). Decreases are likely to be related to the downturn and divestment as maintenance and associated activities were put on hold. In 2018, 83 local suppliers were used by Capcoal complex. Capcoal complex is contributing to 24% of local business spend in the Isaac region through local procurement. In 2015-16, 343 local businesses benefitted from the resources sector in Isaac (Queensland Resources Council 2018).

Anglo American defines local supplier as a supplier of goods or services that maintains a workforce whose usual place of residency (i.e. where they normally live, sleep and eat) is located within a 125 kilometre radius of where the good or service is supplied. If a capable local supplier does not exist within the 125 kilometre radius, the radius should be extended progressively to the local region, then Queensland, then outside of Queensland, until a suitable supplier is identified. The current local supplier definition is being reviewed by Anglo American to align with the Queensland Government policy.

5.5.1.3 Wages

Capcoal complex's direct salary remuneration has slightly reduced (by \$30M) since 2015. However the wages for supplementary labour have increased by \$13.5M. In 2017, \$161M were paid in wages and employee benefits



Capcoal Local Procurement

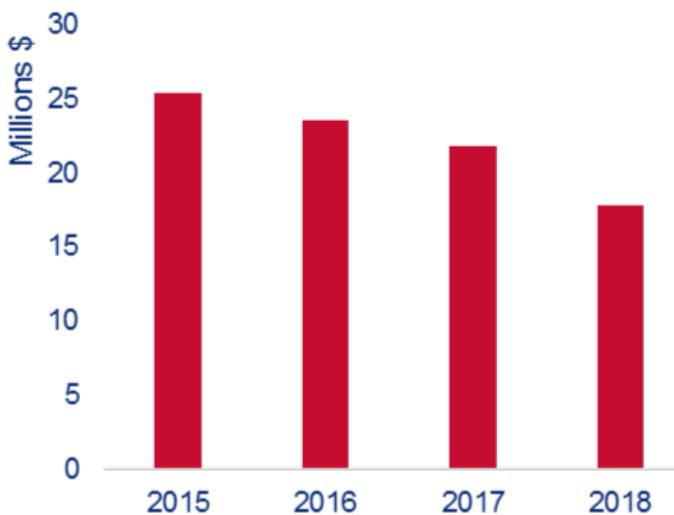


Figure 11: Capcoal local procurement, 2015-2018 (Anglo American)

Figure 12: Salaries, superannuation and other employee benefits in 2017 (Anglo American)

IMPACT IDENTIFICATION AND ASSESSMENT



6.1 Introduction

This section outlines the issues and impacts raised by community stakeholders and explores the causal relationship between Anglo American's activities in the communities and the socio-economic outcomes experienced by community stakeholders. Issues include stakeholder perceptions of impacts caused by Anglo American's activities, socio-economic needs and concerns, trends and developments.

Key impacts and issues discussed in this section feed into Capcoal complex's Social Management Plan (SMP). Impacts were identified through surveys and focus groups. Impact pathways show the logical chain of causation and were identified by stakeholders (see Appendix).

The following section presents the socio-economic impacts perceived by stakeholders identified through 2018 SEAT consultation. Engaging with local communities at all stages of the mine life cycle to understand impacts of Anglo American's operations is imperative for developing programs to maximise local social benefits. Impact pathways show the logical chain of causation and were identified by stakeholders (see Appendix).

 **Negative impact of Anglo American activities perceived by community stakeholders**

 **Neutral impact of Anglo American activities perceived by community stakeholders**

 **Positive impact of Anglo American activities perceived by community stakeholders**

IMPACT PERCEPTION RATING	KEY STAKEHOLDERS	ANGLO AMERICAN ACTIVITIES	PERCEIVED IMPACTS
Community Engagement			
	Local residents/local community members	Anglo American made contributions to the Middlemount community over multiple years, some of which include the sponsorship of the Middlemount Race Day, Middlemount Pro-am, and assistance for gymnastics equipment. The business carries out routine engagement with identified stakeholders.	<p>Anglo American is perceived to be making a positive impact to community life, particularly the social well-being and the liveability in Middlemount. However, at times there was a lack of understanding about Anglo American's involvement and connection to the community. Stakeholders hoped that Anglo American leadership could improve visible presence in the community and two-way communication could exist to celebrate the mutual achievements of both Anglo American and the community.</p> <p>Stakeholders recognise the following impacts on community engagement as a result of Anglo American activities:</p> <ul style="list-style-type: none"> • Sponsorship of the Middlemount Race Day brought community groups together and ultimately led to a sense of community connectedness. • Funding for local sporting groups has supported the improvement of community facilities and improved well-being for the community. • Changes in mine leadership results in different approaches and perceived levels of contribution by Anglo American. Furthermore, feedback received indicated that confusion exists about the funding application process and contacts. Stakeholders felt this led to missed opportunities for both Anglo American and the community.
Local Economy			
	Local business owners, Anglo American	Anglo American contributes to the economy through its core activities including employment, business purchases and government payments.	Anglo American's perceived impact on the local economy is considered to be positive. Given that Middlemount was founded as a direct result of the mining industry, stakeholders acknowledge that Anglo American local procurement influences the sustainability of local businesses.

IMPACT PERCEPTION RATING	KEY STAKEHOLDERS	ANGLO AMERICAN ACTIVITIES	PERCEIVED IMPACTS
Education and Skills			
	<p>Young people, families and schools</p>	<p>Over the past three years, Anglo American provided funding for school facilities improvements and upgrades such as sponsorship of the school awards evening and locker upgrades. In addition, funding has been given to the playgroup for new equipment. Middlemount youth were supported by way of funding for a youth worker and for the maintenance of the youth centre. As a responsible mine, it is critical to align the supply of skilled and qualified individuals and the capabilities of the community with the mine's current and future skills requirement.</p>	<p>Anglo American's perceived impact on education and skills for young people is fairly positive. Feedback received through SEAT consultation identified the following impacts:</p> <ul style="list-style-type: none"> • Anglo American's activities in education especially apprenticeships has been valuable to young people. In particular, the availability of scholarships would provide young people with aspirations and boosts morale. • The material support for the school such as equipment and locker upgrades show the value of community to Anglo American and is uplifting for the students and parents. • The donation to the school awards night provided the community with access to knowledgeable speakers, showcased celebrated students, and as a result, gives more perceived agency to the school. • Funding for the Mulligrubs playgroup equipment has provided early intervention activities, which stakeholders felt is bridging a gap in learning for children. • The community felt that apprenticeships have improved school-leaver opportunities, however stakeholders are concerned that apprenticeships are not prioritised to Middlemount residents. Feedback given indicated that apprenticeships have been opened up to the wider region, resulting in less local students obtaining positions.
Health, Safety and Services			
	<p>Local residents</p>	<p>Anglo American activities in health and social services include funding for the medical centre, contributions to the doctor's salary and community health contributions such as health checks and health forums.</p>	<p>Stakeholders acknowledge Anglo American's central role in supporting primary healthcare services such as the doctor's surgery and housing. Some feedback from the community is that grants can sometimes be too directive and stakeholders would like closer input into the decision making. Perceived impacts from Anglo American's activities on health, safety and services are listed below:</p> <ul style="list-style-type: none"> • Anglo American contribution to the doctor's salary and housing has attracted a qualified medical doctor to the community and enabled 24 hour accessibility. Stakeholders felt this has led to more appropriate and quality healthcare for the community. • Contribution to the doctor's surgery has enabled the centre to treat more patients resulting in reduced pressure on surrounding hospitals, as well as reduced time costs for residents with improved accessibility to health services. • Support for the youth worker fund has been a positive contribution, leading to an increase in the well-being and support for young people in Middlemount. In particular, access to the youth worker and centre has bridged a critical time of day for some young people, leading to a perceived increase in confidence and sense of belonging.

IMPACT PERCEPTION RATING	KEY STAKEHOLDERS	ANGLO AMERICAN ACTIVITIES	PERCEIVED IMPACTS
Childcare			
	<p>Anglo American employees, local businesses, local residents</p>	<p>Anglo American's direct employment and the work arrangements include full-time equivalent employees on a number of different roster patterns and labour-hire contractors.</p>	<p>Stakeholders felt that the impact of Anglo American's employment activities has an impact on young families. In particular, the inconsistent nature of rosters is perceived to result in a higher demand for mid-week childcare, which has resulted in a childcare shortage. The community hoped that childcare should be aligned to Anglo American work arrangements; particularly the hours and flexibility of childcare positions offered.</p>
Housing			
	<p>Anglo American employees</p>	<p>Capcoal complex's employee housing is based on the principle of building sustainable communities neighbouring its operation. Anglo American is aware that pleasant and dignified living conditions are of great importance to the wellbeing and satisfaction of its employees.</p>	<p>Stakeholders acknowledged Anglo American provides support with housing for the community and maintains availability. Stakeholders noted that on some occasions, the housing subsidies attracted families to live permanently in the community. Furthermore, the community recognise that houses are better maintained when they are occupied, and empty houses deteriorate much faster.</p>



6.2 Assessment of key issues and impacts

Management measures for the issues raised have been assessed in the SEAT process and where gaps exist we are working to strengthen our approaches. To bolster

positive impacts and address negative areas, Anglo American has identified five priority action areas to support Middlemount with over the next three years:

Engagement and communication
 Strong engagement and communication will exist between Middlemount community and Anglo American.

Housing
 Anglo American housing actions will improve quality of housing in Middlemount.

Childcare
 Middlemount families will have access to quality and flexible childcare.

Job opportunities for young people
 Young people will be aware of and have access to employment and training through Anglo American.

Health, safety and well-being
 Anglo American employees, their families and the wider community have access to improved health services and facilities.

6.3 Summary of priority issues and impacts

The following issues were identified during the SEAT consultations. Issues are considered areas of socio-economic material concern for the community, which include impacts of Anglo American operations, basic

community needs, trends and developments. Key issues discussed in this section feed into Capcoal complex’s Social Management Plan (SMP).

COMMUNITY FACILITIES AND ENGAGEMENT	
Community vision	A thriving community in Middlemount, with full and collaborative sporting and community clubs.
Key issues	Stakeholders raised concerns about the longevity of sporting and other community groups in Middlemount because of the fluctuating volunteer base. Stakeholders hope that in future, donations made to sporting clubs have a long-term focus to support the sustainability of sports in the community.
LOCAL ECONOMY	
Community vision	Vibrant local businesses, providing goods and services to Anglo American employees, who are incentivised to use local facilities.
Key issues	Stakeholders expressed concern about the vulnerability of local business in the context of a fluctuating coal market. Full shops and a vibrant town centre is a strong priority for the Middlemount community.
EDUCATION AND SKILLS	
Community vision	High quality schooling provided for children of all ages, with sustainable enrolment of students, supporting staff positions.
Key issues	A material concern for the Middlemount community is the loss of students as they reach later years. Stakeholders mentioned that many families leave as children get older and the community hoped that in the future there would be more options for students to stay in the area following graduation. Feedback indicated that stakeholders feel concerned about inadequate support for secondary students and their access to specialty subject teaching support. The community proposed that to assist with this need, a specialty subject teacher could be employed to regularly travel to Middlemount to work with the students.



HEALTH, SAFETY AND SERVICES	
Community vision	Access to a full range of health services within the local community, especially mental health services.
Key issues	A material concern for stakeholders was the availability and stability of health services. Support with mental health was a strong theme during consultation with stakeholders, in particular more support for mental health services. The community proposed that community education on mental health is an issue to progress, and flagged options such as funding for a mental health care worker. Stakeholders also expressed concerns regarding the lack of support and refuge for vulnerable community members, in particular safe houses and transport.
CHILDCARE	
Community vision	Childcare services with capacity to sustain families in town, flexible care, and passionate staff that connect with the wider community. Stakeholders proposed that the childcare facilities be developed, along with investigating options for home day-care.
Key issues	The availability of flexible and quality childcare is a major concern and need for the Middlemount community. Stakeholders noted that the childcare shortage has had cumulative impacts for the community due to the inability of some parents to attend work. Stakeholders articulated concern about the isolating nature of mining towns that can often result in separation from extended families, and consequently a gap in family support and care for children.
HOUSING	
Community vision	Continued incentives for staff to live locally, with the provision of options to facilitate home ownership.
Key issues	Focus group participants indicated that there are significant ongoing issues with affordability of housing (especially for those not on mining incomes) and quality of the housing, including the need for upgrades. Stakeholders raised concerns that home ownership felt out of reach for some due to the difficulty in obtaining home loans as of result of the fluctuating economy in mining towns. Stakeholders proposed that Anglo American should continue to implement incentives for staff to live locally and investigate options to facilitate home ownership.

6.4 Appropriateness of existing social economic benefit delivery initiatives

The table below summarises the priority issues (and their associated impact or management areas) which emerged from stakeholder engagement and research. A comment on the existing management plans, which are already in place to address these issues, is described along with the

risk of not addressing these issues. Further plans for taking action to promote positive change around the priority issue areas is detailed in the Social Management Plan Section six below.

ISSUES	RISK OF INACTION	EXISTING MANAGEMENT PLAN AND ACTIONS TO MANAGE ISSUES
Community Engagement		
Desire for Anglo American to be more present and engaged in community activities and to continue sustainable support for community through transparent and accessible CSI processes.	Without open and proactive community engagement, trust, approval and partnerships can be at risk, jeopardising social licence to operate.	A Community Relations Specialist was appointed and is based in the community. Additionally, a new office and training space in the shopping centre has been opened to increase accessibility of Anglo American to the community. The Stakeholder Engagement Plan will continue to be actively managed.
Economy		
Vulnerability of local businesses to the fluctuating coal market. Local procurement processes are arduous and difficult to access for small businesses.	The risk to Capcoal complex of reduced local business activity is a reduction in business services available locally.	Anglo American is currently reviewing its Local Procurement Policy and will look to accommodate businesses who find the terms and conditions challenging.
Education and Skills		
Diversity of school subjects and pathways for young people.	The quality of our schools and the engagement of our young people are essential for Anglo American to attract families and staff into the area to maintain a sustainable workforce.	Anglo American provided CSI funds to the school to improve facilities and provide for specific needs. Anglo American acknowledges that better partnering, presence and use of socio-economic levers can support the diversity of education in the community.
Health, Safety and Social Services		
Access to specialised health services, mental health services and refuges for victims of domestic violence.	Reduced health and wellbeing in the area is a direct risk to Anglo American's local workforce and the services we rely on in the local area. Health is also a priority concern for the local community.	Anglo American will continue to contribute to the community doctor and medical centre. In addition, Capcoal complex will continue to support the Fire and SES services through partnership and consultation. CSI funding has also been directed towards medic training and facilities. Listening to the priorities of local stakeholders and devising pathways towards achieving these goals with our partners will receive ongoing focus.
Childcare		
Unavailability and limited flexibility of childcare in Middlemount.	The risk of inadequate childcare in Middlemount is loss of skilled staff who also have young families.	Anglo American acknowledges the childcare shortage is a major concern for Middlemount and has impacts on community stakeholders. Anglo American is actively reviewing options to increase provision and quality of services.

Housing

There are ongoing issues with affordability and quality of housing.

The population of the town may reduce further if housing is challenging to local residents.

While Anglo American has an established housing policy to ensure employees have access to housing that is in line with market standards and pricing, we acknowledge that maintenance of housing is an ongoing concern. Anglo American is currently investigating options to improve standards of housing in Middlemount.

Employment

Rosters reducing community participation

Community capacity and cohesion between our employees and the local residents is at risk. However if rosters are not appealing to the workforce, there may be a risk of losing skilled employees.

A consultation on the roster pattern is currently underway. Further action is needed to consider additional routes for integrating employees into the community in a manner which is appealing to everyone in the area.

Partnerships

The Community would like to see cross-sector initiatives where Anglo American leverages state funds for essential community services.

Working in isolation and providing one-off CSI financial awards means impact on larger systemic issues may be limited.

Anglo American will continue to use non-renewable CSI funds to work for impact such as community togetherness through events and facilities which cannot be provided by other means. On issues that involve multiple stakeholders such as young engagement, education, health and housing, Local, State and Federal Government agencies and other relevant bodies will be engaged to form alliances that can set long-term goals and use the strengths of multiple organisations to leverage impact.

Impact Monitoring

The impact of our social initiatives is not tracked and managed outside of the SEAT three-year cycle.

Social impact metrics provide signals on our effectiveness in the community domain.

To date, Anglo American has logged CSI spend input data and tracked activities. At the end of three-year SEAT cycles, the impacts are broadly discussed with stakeholders. Moving forward, targeted stakeholders will be identified in the Social Investment Plan, with anticipated outcomes and impact indicators tracked on a regular basis to assess effectiveness.



SOCIAL MANAGEMENT PLAN



7.1 Introduction

The Social Management Plan (SMP) describes management commitment to addressing issues, mitigating any negative social impacts and promoting positive change through Anglo American operations in the Middlemount area. The SMP pulls together priority impact areas and issues to be addressed.

The SMP activities are actions to address current and emerging community issues. The action items are to focus on perceived negative impacts by Anglo American and to continue to support activities that have had positive outcomes for the community.

7.2 Management responses

The table below summarises the management measures identified to address each of the issues raised by external stakeholders during the SEAT consultation process.

MANAGEMENT RESPONSE	KEY STAKEHOLDERS
Engagement and communication	
Implement community sponsorship program <ul style="list-style-type: none"> • Provide information to the community about Capcoal complex operations/ planning and community investment • Provide guidance and collaboration for sponsorship application process • Complete letter box drops and Community newsletter • Use electronic notice board, eg for schedule of events 	All community
Continue to engage with key stakeholders in the community via the interagency network, facilitated by CTM Links	Vulnerable groups
Investigate and work in collaboration with other community stakeholders to provide a community electronic notice board	Local business owners Local service providers Isaac Regional Council
Facilitate local register/directory of skills (electrician, builder, baby sitters etc.) to provide resources to community, including local businesses.	Local business owners CTM Links Isaac Regional Council
Investigate and review user experience of the IRC community listings app and consider ways to increase and improve users, additionally work towards adding Middlemount services to this IRC app.	Isaac Regional Council Local business owners Local service providers
Investigate and work in partnership with key community stakeholders to be able to provide transportation for local community clubs and groups to travel in Central Queensland	Isaac Regional Council Regional residents Young people Local clubs
Housing	
Continue housing strategy to increase tenancy of dwellings in Middlemount	Capcoal contractors and employees
Continued investment in maintenance programs to Anglo American-owned dwellings. Potential to investigate policy to provide incentives for residents to improve their homes and gardens	Capcoal contractors and employees
Childcare	
Increase childcare footprint in community and work in conjunction with local stakeholders to facilitate. Additionally, review housing allocation based on increased footprint of services.	All community
Work with existing Childcare provider to improve services based on their Quality Improvement Plans	All community

MANAGEMENT RESPONSE	KEY STAKEHOLDERS
Job opportunities for young people	
In partnership with the Middlemount Community School investigate the potential for innovative learning resources	Education services Young people
Provide school-based traineeships programs and communicate these to the community	Education services Young people
Complete yearly General Manager presentations at the High School and Primary School	Education services Young people
Establish locally sourced mining associate program as well as investigate our ability to offer university-based cadetships	Education services Young people
Provide educational support for schools <ul style="list-style-type: none"> Partner for career fairs and assistance with resume preparations, mock interviews, school-based apprenticeship programs 	Education services Young people
Health, safety and well-being	
Provide funding and continued support to Middlemount Medical Centre, including provision of house and messing for Doctor	Health services All community
Assist local community health groups in being able to provide mobile health checks including mobile cardiac unit bus and Capricorn Helicopter Rescue (heart and skin checks, breast screening). Explore partnerships with State Government to be able to provide FIFO specialist health checks	Health services All community
Support community education on mental health <ul style="list-style-type: none"> Work in partnership with local community groups to provide mental health first-aid training Facilitate campaigns in conjunction with local community health groups and other key stakeholders in the community to reduce stigma 	Health services Capcoal contractors and employees Isaac Regional Council Vulnerable groups
Provide support for vulnerable people <ul style="list-style-type: none"> Partner with QPS and CTM Links to provide funding to ensure that there is access to safe accommodation and transportation services 	Health services Capcoal contractors and employees Isaac Regional Council Vulnerable groups
Provide equipment for the ambulance committee	Health services Capcoal contractors and employees Isaac Regional Council Vulnerable groups

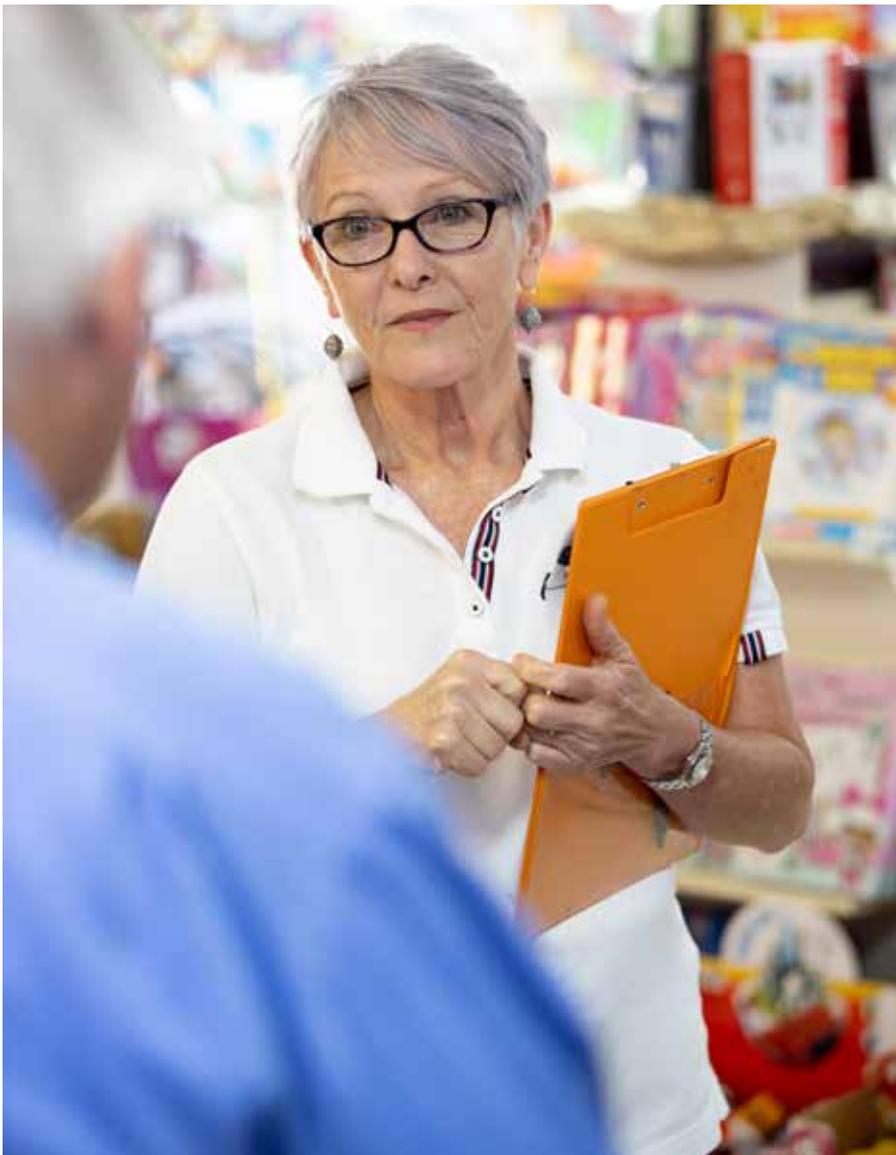
OTHER MANAGEMENT AREAS TO PROGRESS

Local economy

Shopping centre upgrade and green spaces for town centre	Local business owners Local service providers
Review local procurement policy and work towards connecting sponsorship program with local procurement benefits	Local business owners
Encourage Anglo American local area spend	Local business owners Capcoal employees and contractors

7.2.1 Measuring progress

Anglo American is committed to moving to annual outcome reporting from three yearly SEAT reviews to improve the accuracy and relevancy of reporting. Capcoal complex aims to determine how successful they have been in creating difference in community areas and prioritising as part of SEAT.



NEXT STEPS AND RESPONSIBILITY



8.2 Responsibility for the SEAT process

Anglo American's stakeholder engagement team oversees the SEAT process with support from all appropriate site level functions.

9.0 References

The documents listed below are referenced in this document or are related to it.

Australian Bureau of Statistics (ABS) 2016, viewed 14 November 2018

http://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/SSC31842?opendocument

Australian Bureau of Statistics (ABS) 2018, 6202.0 - Labour Force, viewed 29 January 2019

<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0>

Department of Agriculture and Fisheries 2016, Queensland's beef cattle herd, viewed 14 November 2018

<https://www.daf.qld.gov.au/business-priorities/animal-industries/beef/queensland-product>

Department of Natural Resources, Mines and Energy (DNRME) 2018, Detailed valuation data for Isaac Region, viewed 14 November

<https://www.dnrme.qld.gov.au/home/news-publications/news/2018/march/2018-statutory-land-valuations/isaac-regional-area-sees-increase-in-land-values>

Isaac Regional Council 2018a, Isaac Unemployment Rate, viewed 14 November 2018

<https://www.economyprofile.com.au/isaac/trends/unemployment>

Isaac Regional Council 2018b, \$1 billion project in Isaac to help energise Australia viewed 14 November 2018

https://www.isaac.qld.gov.au/media-releases/-/asset_publisher/ZY2pN812J8ej/content/-1-billion-project-in-isaac-to-help-energise-australia

Isaac Regional Council n.d, Regional Overview, viewed 14 November 2018

<https://www.isaac.qld.gov.au/regional-overview>

Middlemount State High School 2107, Annual Report, viewed 14 November 2018

<https://middlemountcs.eq.edu.au/Supportandresources/Formsanddocuments/Annual%20reports/Annual%20Report%202017.pdf>

Queensland Curriculum and Assessment Authority (QCAA) 2017, 2017 Data Summary, viewed at

https://www.qcaa.qld.edu.au/downloads/publications/qcaa_stats_yr12_enrol_cert_2017.pdf

Queensland Government 2017, Bowen Basin Report, 2017, viewed 14 November

<http://www.qgso.qld.gov.au/products/reports/bowen-basin-pop-report/bowen-basin-pop-report-2017.pdf>

Queensland Government 2017, Fly-in-Fly-Out – government response, viewed 14 November 2018

<http://www.statedevelopment.qld.gov.au/industry-development/fifo.html>

Queensland Resources Council 2018, What are resources worth to Isaac, viewed 14 November 2018

http://economic-contribution.qrc.org.au/_dbase_upl/econ-cont/Isaac_LGA.pdf

Government of Western Australia Mental Health Commission 2018, Impact of FIFO work arrangements on the mental health and wellbeing of FIFO workers, viewed 29 January 2019

<https://www.mhc.wa.gov.au/media/2547/impact-of-fifo-work-arrangement-on-the-mental-health-and-wellbeing-of-fifo-workers-full-report.pdf>

10 Contact details

Capcoal Community Relations
Anglo American Community Hub Office
Shop 7A, Middlemount Shopping Centre
Middlemount QLD 4746T

+61 (0) 7 4985 9000

www.angloamerican.com.au

11 Complaints and grievance procedure

Please direct all enquiries to:

Capcoal complex community complaints and grievances: www.angloamerican.com.au/our-operations





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.