



ANGLO**GOLD**ASHANTI

Sustainable Development  
The AngloGold Ashanti Way

# A strategic approach to sustainable development

MtM Forum  
University of Cape Town

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ANGLO**GOLD**ASHANTI

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- Setting the context – our approach to strategy
- The sustainability landscape we operate in – challenges and opportunities
- Where we want to be – our 2030 company aspirations
- Sustainable development strategic framework – a common approach for all the disciplines
- A coherent set of actions
- Improving sustainable development maturity over time

# SETTING THE CONTEXT

# SUSTAINABLE DEVELOPMENT – AN ANGLOGOLD ASHANTI PERSPECTIVE

The business enterprise is and institution of society, and in a world where expectations are rapidly changing...

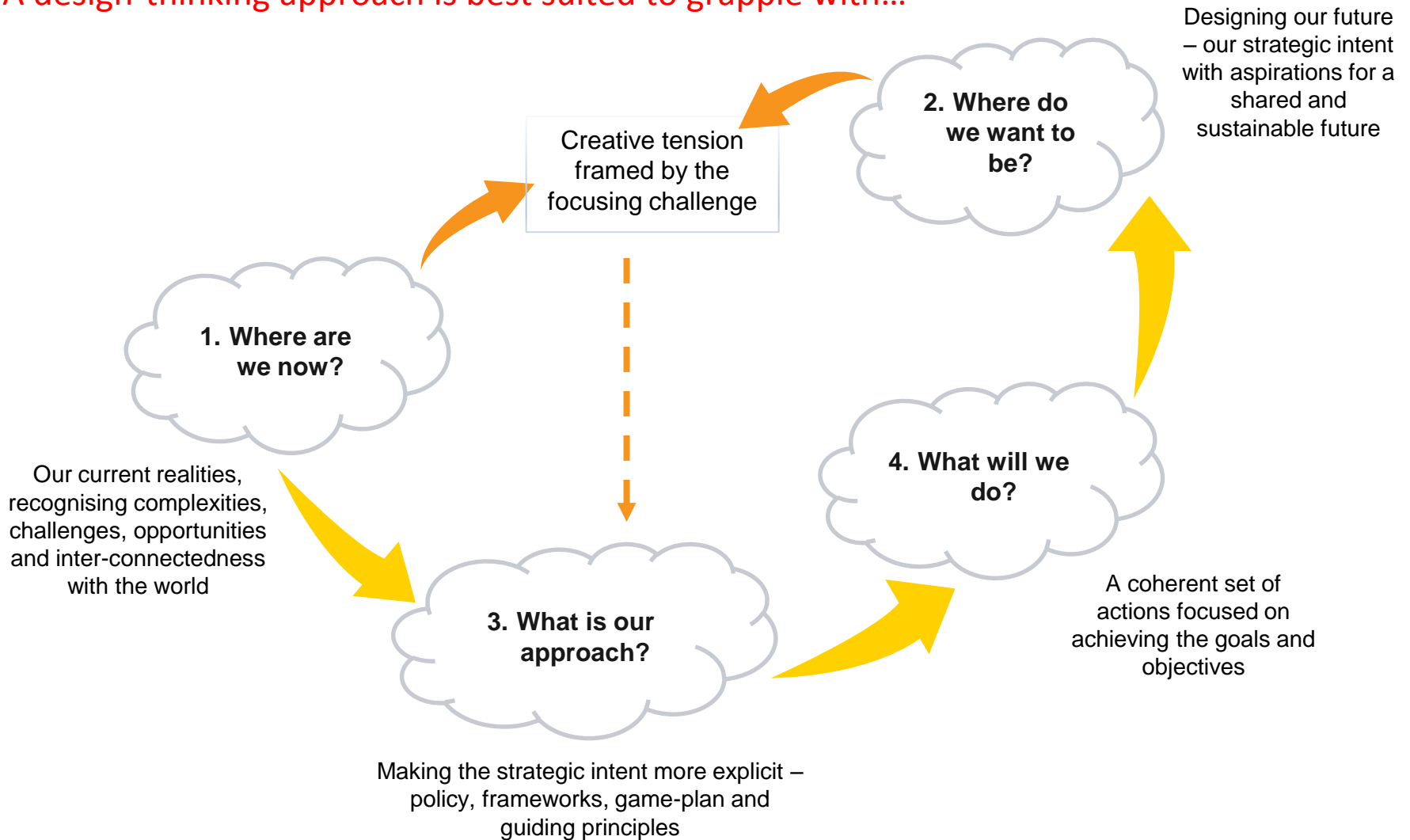
Sustainable development focuses on conducting business activities in a way that achieves current and future:

- Employee safety, security and wellbeing
- Environmental protection
- Economic success – of the business AND its stakeholders
- Contribution to self-sustaining communities and a resilient society

...achieving its social licence to operate will become an increasingly important determinant of competitive positioning

# OUR DESIGN APPROACH TO STRATEGY FORMULATION

A design-thinking approach is best suited to grapple with...



...the complexities commonly encountered in the sustainable development space

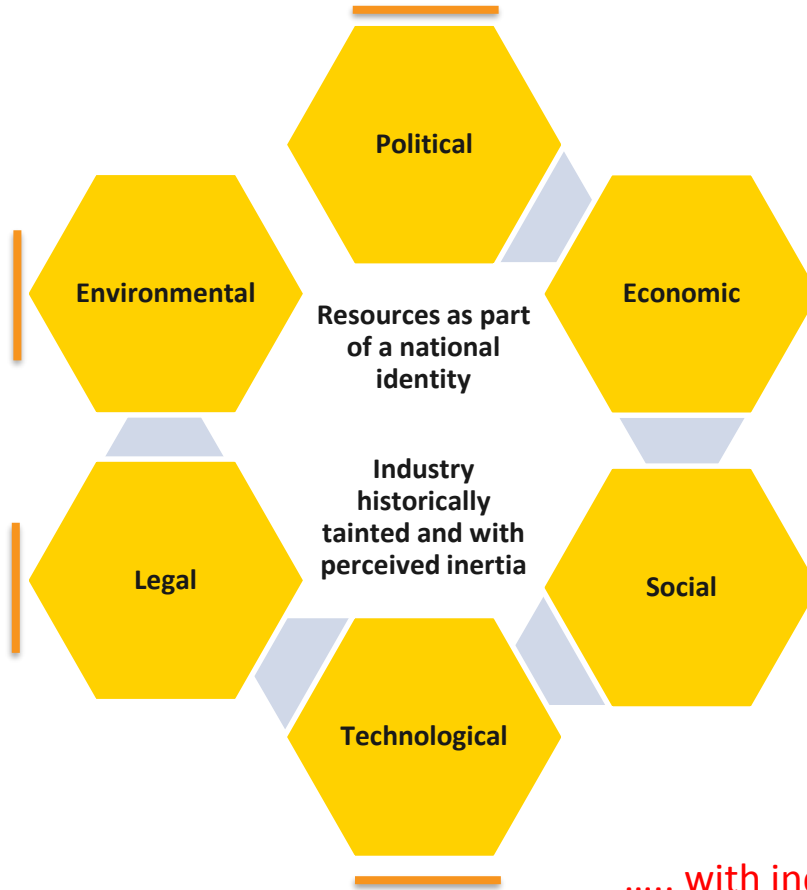
# THE LANDSCAPE WE OPERATE IN – CHALLENGES AND OPPORTUNITIES

# THE MINING SECTOR LANDSCAPE

## Changing global dynamics.....

- Nationalism
- Populist approaches
- Indigenisation
- Converging approaches in emerging markets

- History of environmental disasters
- More stringent environmental expectations
- Increasing bonding requirements
- New expectations for mining agreements
- Redetermination of mining agreements
- History of illicit financial flows from the sector
- Endemic corruption



- Commodity cycles
- Economic downturns
- Austerity requirements in emerging economies
- VAT and tax lock-ups
- Expectations of a fair deal
- Stronger community voices
- NGO activism
- Artisanal and Small-scale mining

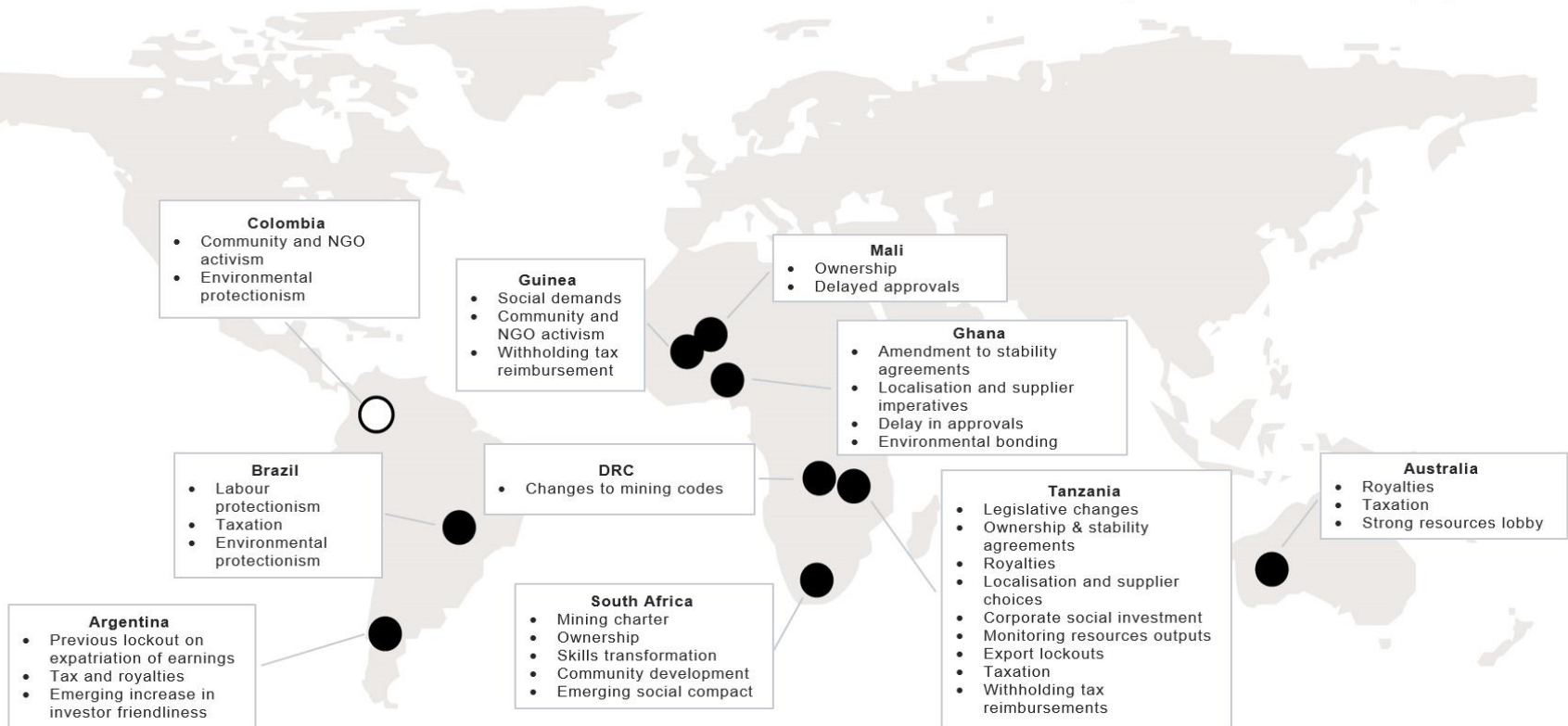
- Global technological shifts
- 4<sup>th</sup> industrial revolution
- Mining sector has not kept pace

..... with increasing expectations for a fair deal

# ISSUES ACROSS THE ANGLOGOLD ASHANTI PORTFOLIO

## LEGEND

● Operations ○ Greenfields projects





# UNDERSTANDING THE CHALLENGE – THE AGA MATERIAL ISSUES

Synthesising the challenges into discrete categories.....



Employee Safety



Employee and community health issues



Contributing to self-sustaining communities



Responsible environmental stewardship



Integrated closure planning



Employee, community & asset security



Respecting human rights



Artisanal and small-scale mining (legal & illegal)



Talent management, skills development & employee relationships



Navigating regulatory & political uncertainty and risk



..... and mapping them to the UN Sustainable Development Goals (SDGs)

# WHERE WE WANT TO BE – OUR 2030 ASPIRATIONAL GOALS

## FOCUSING QUESTION (1)

How do we reimagine business success in a way that is congruent with societal success?

# ANGLOGOLD ASHANTI SUSTAINABILITY VISION

## Our Sustainability Philosophy

### Purpose:

AngloGold Ashanti changes the way people experience the company, through positive engagement and development for mutual value – across all stages of the mining lifecycle – focusing on the well being and development of employees, building a resilient company and contributing to the development of economically, socially and physically resilient host communities and environments.

### Commitments supporting the company vision, mission and values:

- We contribute to the success of the company by supporting its business goals at all times
- We elevate the status of sustainability within the company and wherever we interact, in order to embed sustainability as a core part of the business value proposition
- We work in harmony with stakeholders and the environment by protecting and enhancing human and physical conditions
- We break the boundaries of thinking and application of sustainability work – beyond our industry
- We are ONE team and work together, learning from and enabling each other

## Our envisioned future

### Goals:

#### Sharing the everlasting value of gold:

1. Our sustainability based actions enhance business performance
2. We deliver demonstrable long-term positive outcomes for employees, communities and the environment in which we operate
3. Governments and the broader society in the countries and regions where we operate see us as delivering long term value

### What we will look like:

- Sustainability is fully integrated and owned across the business – it's just the way we do things around here
- We develop or adapt to new ways of engaging with society and new operating practices to enhance sustainable outcomes
- Our sustainability practices translate directly and measurably into improving AngloGold Ashanti's bottom-line performance and enhance the wellbeing of employees, communities and society as a whole
- We are trusted and respected in our company, across our industry and beyond
- We are the preferred mining company

Adapted from Collins, J. C., and Porras, J. I (1996): "Building Your Company's Vision", *Harvard Business Review*, Sep-Oct 1996.

# OUR 2030 ASPIRATIONAL GOALS

Shifting the dialogue from reactive to forward thinking.....

## SETTING OUR 2030 ASPIRATIONAL GOALS AND PRIORITISING THE SDGs



### SAFETY

Workplaces free of injury and harm

#### OUR FOCUS

- Embedding and integrating safety into the business
- Risk management and technical re-engineering to drive workplaces free of harm
- Enabling safe operations through line management and organisational culture initiatives driving the right mindsets and behaviours
- Critical control modelling for next generation protection

Prioritised discipline SDGs



### HEALTH

Healthy employees and healthy communities

#### OUR FOCUS

- Strengthening organisational capability and health risk management to eliminate occupational exposures above set limits
- Company health initiatives to optimise fitness for work
- Community health initiatives – strengthening health systems; responding to epidemics; calculating tangible value to the business

Prioritised discipline SDGs



### ENVIRONMENT

Zero harm and equitable use of natural resources

#### OUR FOCUS

- Risk management to drive zero harm – elimination of harmful discharges
- Leveraging our position in land and water as a catalyst to create value beyond our traditional scope of influence
- Driving integrated closure management across the mine cycle to achieve zero closure cost at the end of life of mine

Prioritised discipline SDGs



### GOVERNMENTS AND COMMUNITIES

Communities are self-sustaining – free from poverty and inequality

#### OUR FOCUS

- **Communities** – strengthening institutional capacity; establishing strong partnerships; creating alternative industries
- **Governments** – strengthening institutional capacity; influencing policy certainty; establishing strong partnerships

Prioritised discipline SDGs



### SECURITY AND HUMAN RIGHTS

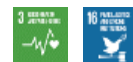
No human rights violations and communities assist in protecting our business



#### FOCUS

- Integrating and embedding Security and Human Rights into business processes
- Resilient security systems enabled by technology and intelligence driving a predictive and pre-emptive approach
- Community involvement and partnering in Security and Human Rights issues

Prioritised discipline SDGs



### SDGs APPLICABLE ACROSS THE DISCIPLINES

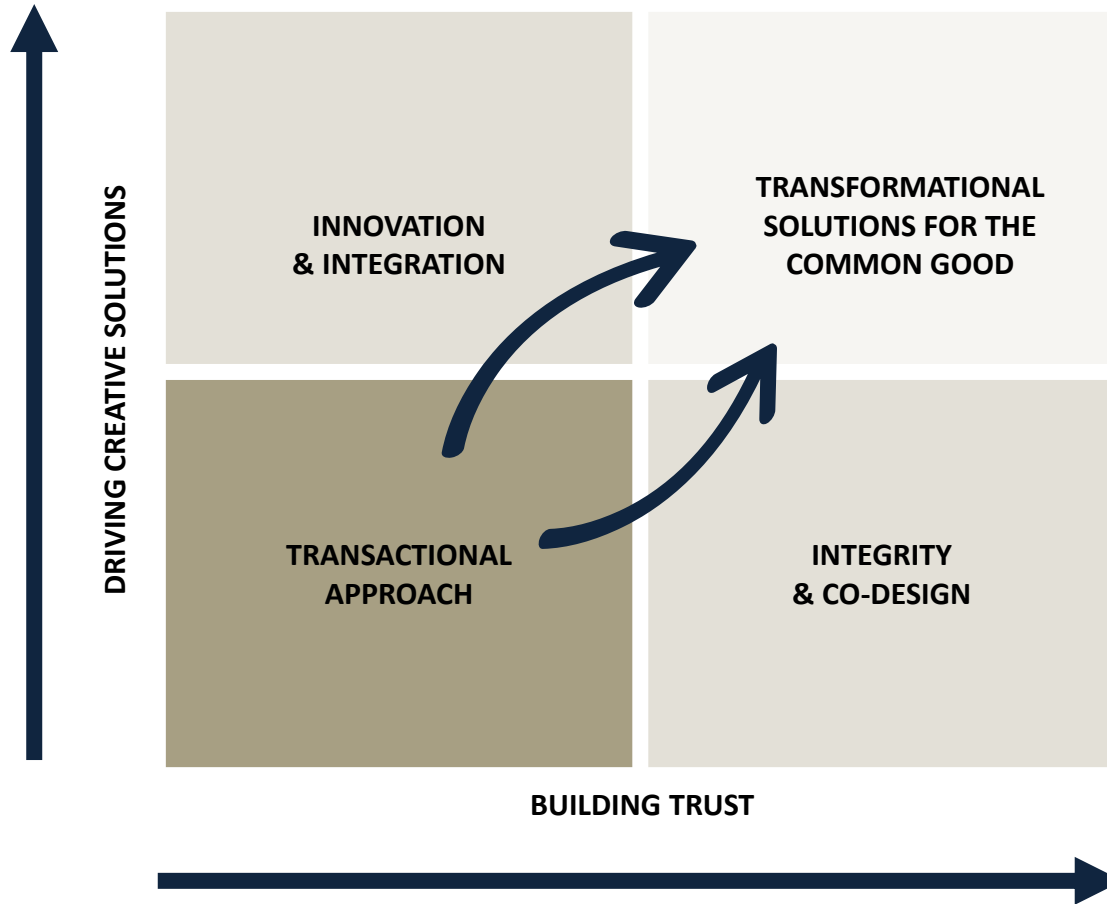


## OUR STRATEGIC FRAMEWORK – A COMMON APPROACH

## FOCUSING QUESTION (2)

How do we use a mutual value approach to navigate the complex landscape we play in, and drive competitive positioning?

# OUR GAME PLAN



Our strategic intent is to move from a transactional approach to a more transformational one.

Recognising the interdependency of business and sustainability, we focus on two fundamental drivers which influence responses and outcomes to the complex challenges faced:

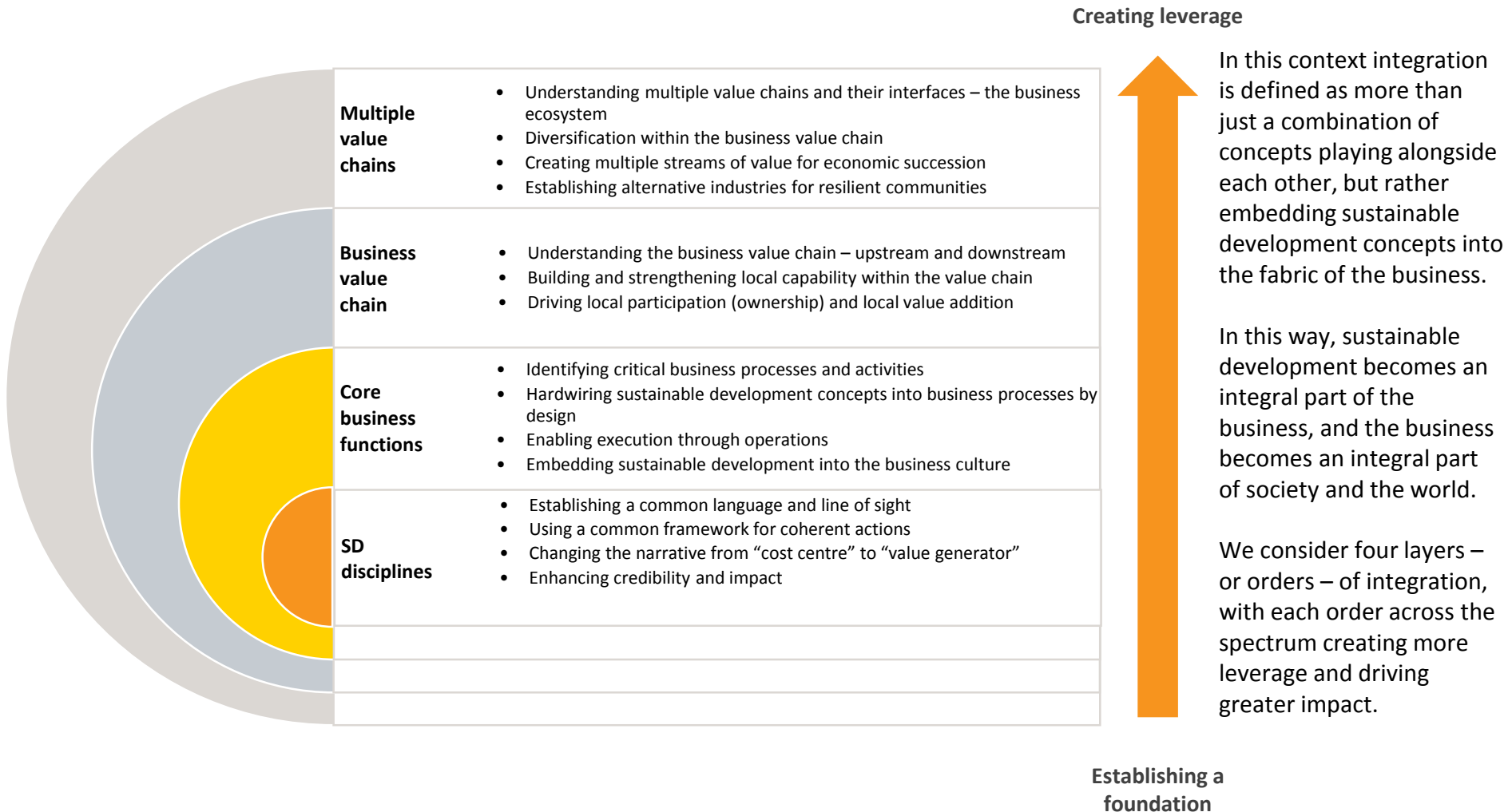
- The **levels of trust** within and across the stakeholder groups involved; and
- The **quality of solutions** brought to bear.

In moving toward being more transformational, the sustainable development strategy is shaped by the two-pronged approach of building trust with stakeholders and driving creative solutions.

Building higher levels of trust requires acting with **integrity** and **co-designing** solutions with various stakeholders, while creativity in finding solutions is driven by **innovating** and **integrating** solutions with business activities.



# INTEGRATION AS A LEVER TO DRIVE TRANSFORMATIONAL CHANGE



# GENERIC SUSTAINABLE DEVELOPMENT STRATEGIC FOCUS AREAS

## Perspective

## Strategic focus areas – Guiding the disciplines in a common approach

**Business competitiveness**

**Enabling business competitiveness**

**Social licence to operate**

**Being a catalyst for sustainable and mutual value**

**Communicating SD performance**

**Internal systems and processes**

**Managing risk**

**Capitalising on opportunities**

**Monitoring, evaluation & reporting with effective governance**

**Establishing a foundation**

**Health of disciplines**

**Embedding & integrating sustainable development into the business**

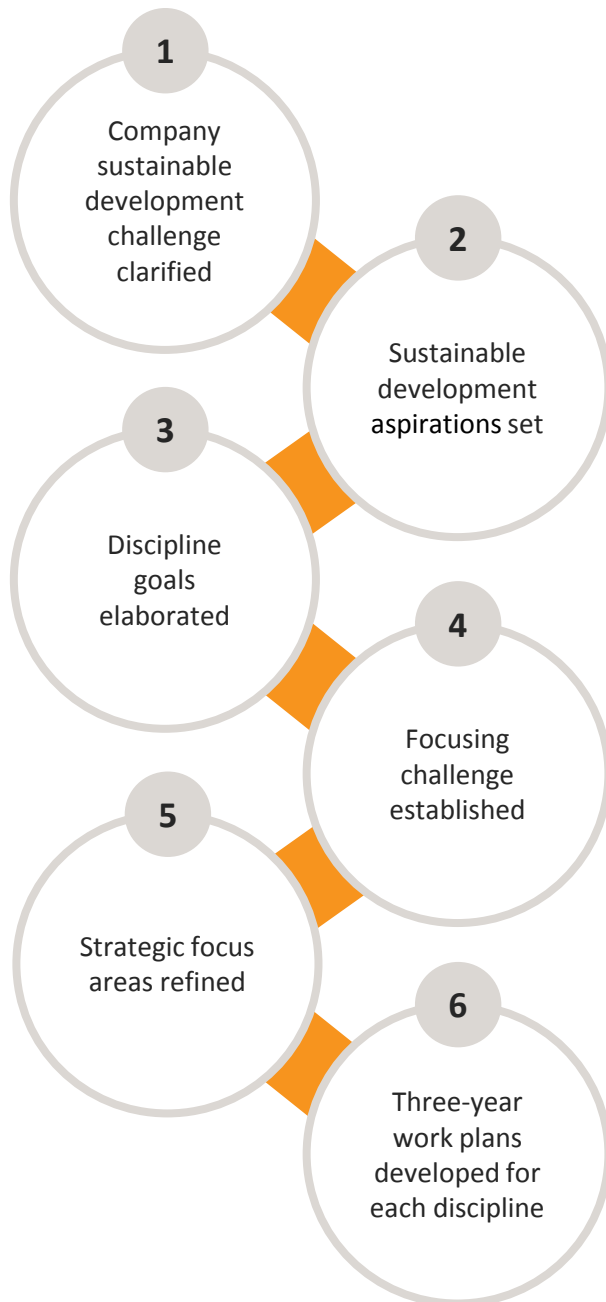
**Information & knowledge management**

**Engaging with stakeholders & partnerships**



## A COHERENT SET OF ACTIONS

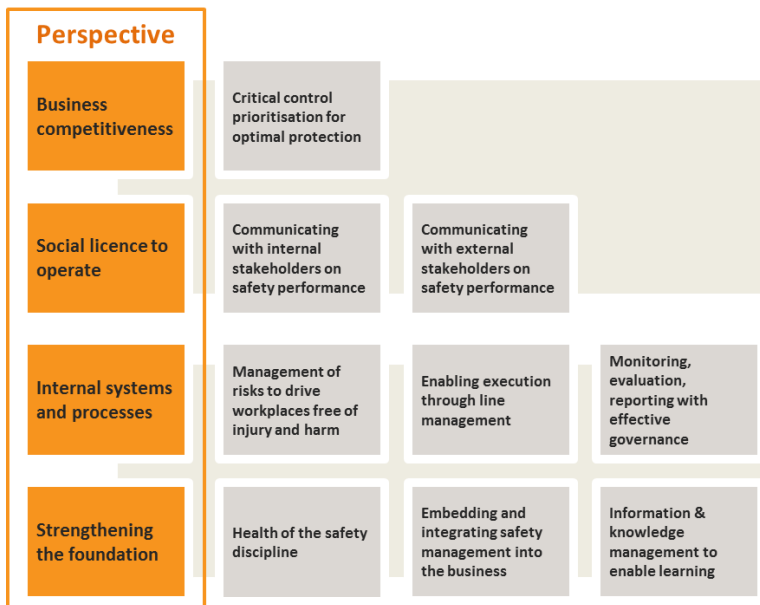
# OUR APPROACH TO CASCADING THE STRATEGY INTO THE BUSINESS



- The company sustainable development challenge was clarified through the annual materiality process
- The 2030 company aspirational goals were set at the annual sustainable development workshop involving sustainability leaders from across the company in March 2017
- These were subsequently approved by the company executive
- Strategy workshops for each of the five sustainable development disciplines were held, using a common framework and approach – establishing a coherent set of actions to respond to the challenges and achieve the goals.
- The same approach was used for the supply chain in developing a Local Business Development strategy and approach for the business
- Execution and monitoring of implementation progress is underway.

# FUNCTIONS GIVING EXPRESSION TO THE STRATEGIC FRAMEWORK

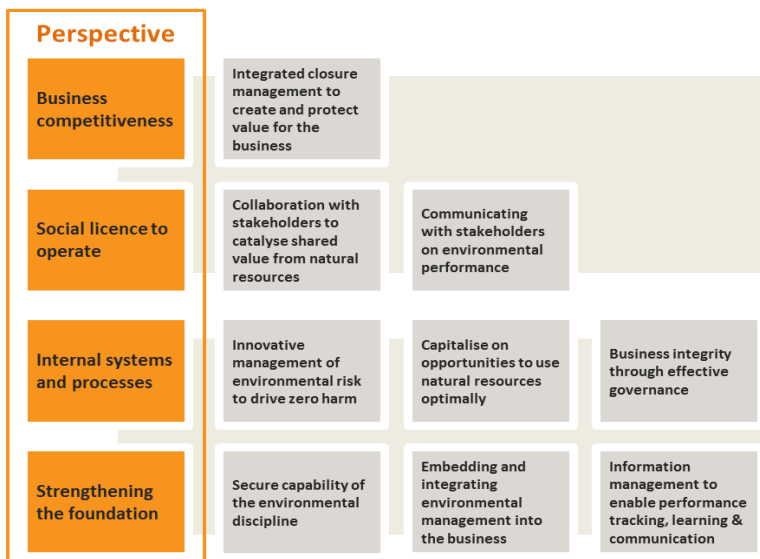
## Safety – Strategic Focus Areas



## Health – Strategic Focus Areas



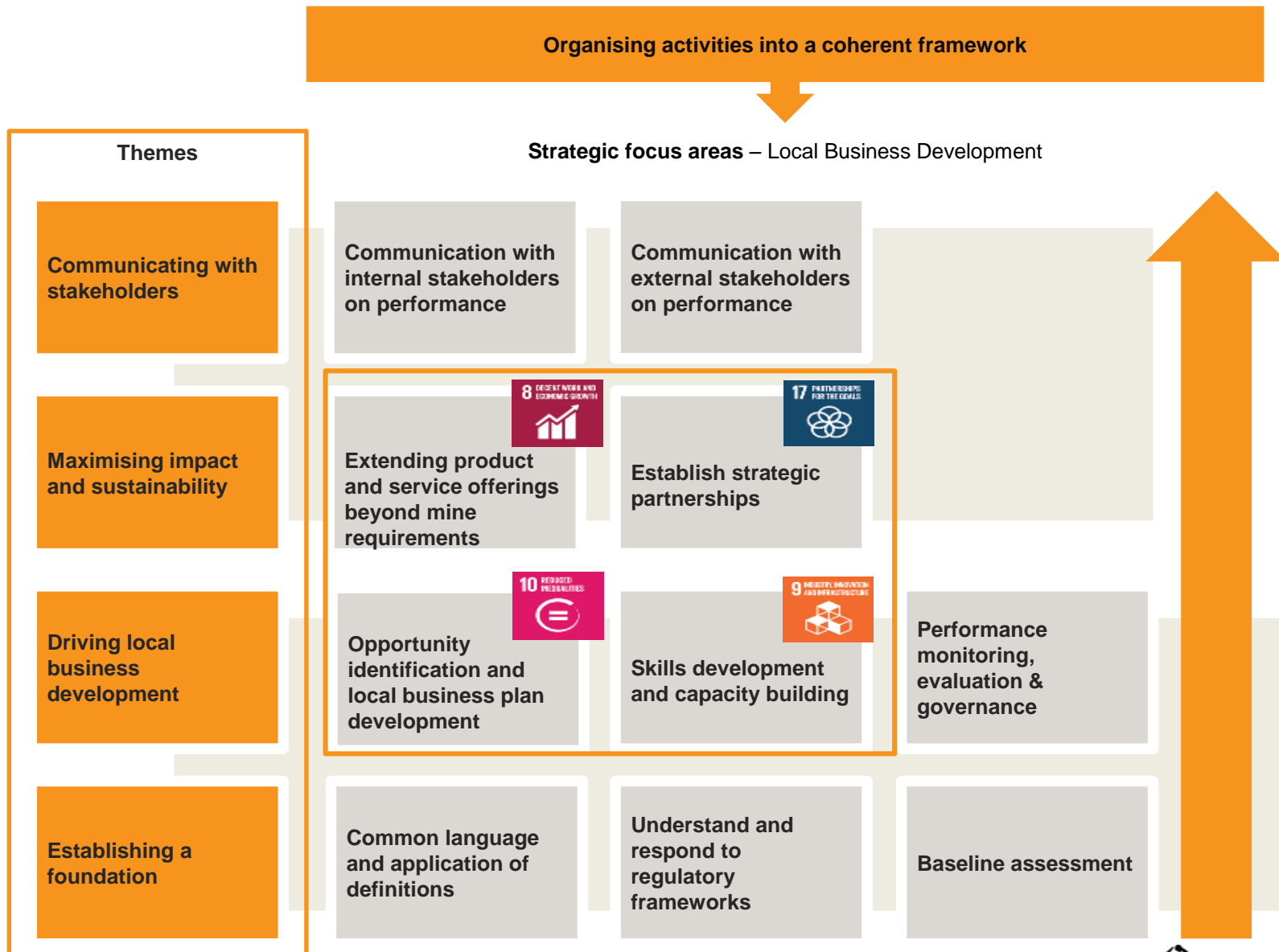
## Environment – Strategic Focus Areas



## Community & Government – Strategic Focus Areas



# FUNCTIONS GIVING EXPRESSION TO THE STRATEGIC FRAMEWORK



Source: Adapted from Kaplan, R. and Norton, D. (2008): “Mastering the Management System”, *Harvard Business Review*, January, p62-77.

# TRANSLATING STRATEGY INTO ACTION

Incorporate relevant SDG metrics and targets






Strategic focus area	Objective	Key actions	Performance indicators	Target (2030)
<b>Local business development plans</b>	Local business development plans drive achievement of our aspirations		<ul style="list-style-type: none"> <li>• Country LBD plans agreed by stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Income growth &gt; national average</li> </ul> <p><b>SDG 10</b> <b>10.1</b></p>
<b>Skills development and capacity building</b>	Local participants develop the appropriate skills and capabilities		<ul style="list-style-type: none"> <li>• Numbers of local participants developed</li> <li>• % increase in Value Addition and Local Participation</li> <li>• Supplier performance</li> </ul>	<ul style="list-style-type: none"> <li>• Industry share of employment and GDP</li> </ul> <p><b>SDG 9</b> <b>9.2</b></p>
<b>Extending product and service offerings beyond mine requirements</b>	Dependence on mining is diminished for thriving self-sustaining businesses beyond life of mine		<ul style="list-style-type: none"> <li>• % host community businesses demonstrating customer diversification</li> </ul>	<ul style="list-style-type: none"> <li>• Economic productivity and diversification</li> </ul> <p><b>SDG 8</b> <b>8.2</b></p>
<b>Establishing strategic partnerships</b>	Strategic partnerships are established for leverage and greater impact		<ul style="list-style-type: none"> <li>• Number and span of strategic partnerships established</li> </ul>	<ul style="list-style-type: none"> <li>• Increased domestic resource mobilisation</li> </ul> <p><b>SDG 17</b> <b>17.1</b></p>

# INCREASING SUSTAINABLE DEVELOPMENT MATURITY



# OUR SUSTAINABILITY MATURITY OVER TIME

## AngloGold Ashanti sustainable development maturity assessment

Strategic focus areas	Objective	2016	2017	2018
<b>Health of disciplines</b>	Ensure effective structures and competence; actively manage the sustainable development talent pool			
<b>Embedding and integrating sustainable development</b>	Business leaders understand sustainable development and it is integrated into business processes and activities			
<b>Information and knowledge management</b>	The right information is appropriately captured, shared and used to improve decision making			
<b>Engaging with stakeholders and partnerships</b>	Stakeholders and their relationships to the business are understood, and they are effectively engaged to optimise impact			
<b>Managing risk</b>	Sustainable development related risks are understood, critical controls are identified and established, and control effectiveness is demonstrated			
<b>Capitalising on opportunities</b>	Sustainable development opportunities are systematically identified and used to the benefit of the business, the environment and society			
<b>Monitoring, evaluation and reporting with effective governance</b>	The business achieves its sustainable development performance outcomes and effective oversight ensures integrity of the systems in place			
<b>Being a catalyst for sustainable and mutual value</b>	The business competences are leveraged to create shared value with stakeholders beyond our immediate scope of influence, enhancing the social license to operate			
<b>Communicating sustainable development performance</b>	Internal and external stakeholders are meaningfully engaged on company sustainable development issues and performance			
<b>Enabling business competitiveness</b>	Sustainable development initiatives position the company as the leaders in the field – across the mining industry and other sectors			

### LEGEND



Reactive



Compliant



Proactive



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# THANK YOU

For more detail, please go to our 2018 Sustainable Development Report at:

<https://www.anglogoldashanti.com/investors/annual-reports/>