

# CORPORATE POLICIES

## POLICY WITH THE COMMUNITIES

We believe our operations have a predominantly positive impact in the communities where we operate. Our objective is to establish lasting relationships with our neighbors. Therefore, we identify and address their concerns and cooperate in activities and programs designed to improve their living standards.

- Our engagement with society is focused in three main pillars:
- Understand our risks and opportunities within society, by identifying our stakeholders and their concerns and create a permanent bidirectional dialogue.
  - Manage our operation's impacts in such a manner as to preserve livelihoods.
  - Study the ways in which our activities benefit our host communities and develop a social enrichment strategy that involves the whole Prodeco Group.

### DETERMINE THE BEST WAY TO APPROACH OUR STAKEHOLDERS

Social considerations that we must evaluate can be divided into two categories: the impact that we have in our host communities and the rest of society; and the risks that our business faces due to society's expectations and political perspectives.

To understand these factors we require that our operations identify their stakeholders at each life cycle; they must also evaluate the influence and relevance of each stakeholder. The groups might include local communities, governments, NGOs, religious groups, development organizations and other actors. We take great care in identifying vulnerable groups, such as groups of women head of households or children. We also study the social-economic condition of each specific community, in other words, the condition of their infrastructure and services.

These analyses are used to create individual strategies on the operational level to achieve an effective engagement with the community. This must include consultation with local communities and the agreement on objectives, together with main activities, Key Performance Indexes (KPIs) and mechanisms to verify effectiveness.

### STAKEHOLDERS ENGAGEMENT STRATEGIES

Each strategy must include community development plans aligned with the operational strategies of each individual operation and the development objectives of the region and the country.

The managements responsible for Community Relationships work with the Compliance Coordinators on the operational level to ensure that community development projects are aligned with the requirements of Group's policies, including Anti-Corruption Policy. Community development plans are included in the annual budget reviews with Prodeco Group's top management. We encourage all of our operations to implement these plans in order to create measurable benefits in the long term, while at the same time minimizing dependence on Prodeco Group.

### FREQUENT EVALUATIONS ABOUT OUR IMPACT

Our Community Engagement Policy and our Stakeholders demand that the operations carry out periodic perception surveys (preferably every three years) to understand what the stakeholders think about our activities. It also demands complaint mechanisms, established in such a manner that the stakeholders will have equal opportunity to use them, physically as well as in terms of understanding them, without fear of retaliation. The complaints are registered and investigated; the material complaints are reported to the Prodeco Group Corporate Practices Committee.

### HOW DO WE DO THIS?

#### ACCEPTANCE BY TOP MANAGEMENT

The management groups throughout the Prodeco Group understand that we must maintain a meaningful dialogue with our host communities to operate successfully and maintain our license to operate.

Our managements responsible for Community Relationships work very closely with top management at all levels; the Prodeco Group Corporate Practices Committee receives periodic reports on this work.

Whenever it is considered appropriate, the site and department managers are also part of the community consultation meetings or workshops and are involved with our associates, for example NGOs and organizations dedicated to development, sharing financing or handing-over of projects.

Sharing experiences with the Prodeco Group gathers a great diversity of abilities and experiences and we do our utmost to capture them in a formal manner, to improve what we do and guarantee coherence. This can include inter-departmental conference calls and dedicated intranet.

The visits, volunteer and exchange programs with the different divisions have been of great help to our different departments in the construction of networks and with sharing what they have learned about working with the different host communities.

  
**Mark McManus**  
CEO