

**Natural History Museum Company Review
Anglo American
Compiled by the Development Department
August 2006**

Company profile

Anglo American plc is a global leader in the mining and natural resource sectors with revenues in 2005 of \$29,434 million. It is listed on the London, Johannesburg, Botswana and Namibia stock exchanges.

Anglo American has significant and focused interests in gold, platinum, diamonds, coal, base metals, ferrous metals and industries, industrial minerals and paper and packaging. The Group has operations and developments in Africa, Europe, South and North America and Australia. It owns stakes in leading producers of gold (51% in AngloGold Ashanti), platinum (75% Anglo Platinum), and diamonds (45% De Beers Consolidated). The company's packaging interests are represented in a significant shareholding in Mondi. It is one of the world's largest operators of independent coalmines.

Anglo American is a UK-based company. Formerly known as Anglo American Corporation of South Africa, it moved to the UK in 1999 and began trading on the London Stock Exchange in an effort to reach international investors.

In 2000, the company bought UK building materials company Tarmac plc and later sold Tarmac America to Greece-based Titan Cement for \$636 million. That year De Beers paid \$590 million for Anglovaal Mining's stake in De Beers' flagship Venetia diamond mine and \$900 million for Royal Dutch Shell's Australian coal mining business

The company is currently going through a period of restructuring and there has been speculation in the business press that it could be subject to take over bids in the near future (see Observer, 20.8.06 for details) The mining industry is generally entering a period of great change. Anglo American recently announced it was returning \$5bn to shareholders through a share buy-back and a special dividend after a 64% increase in first-half pre tax profit.

The company was founded by the Oppenheimer family. Although they no longer control the company, Nicky Oppenheimer, who also chairs De Beers, sits on the board. Anglo American became the largest single shareholder in De Beers in 1929.

The company is currently fully compliant with the Combined Code on Corporate Governance. It is governed by a board of directors, more than half of which are independent and non-executive. The board is chaired by Sir Mark Moody Stuart. The outgoing Chief Executive is Tony Trahar.

Environmental Record

1. Memberships of benchmark organisations/indices

- FTSE4 Good membership
Not currently a FTSE4Good member.

Anglo American's involvement in uranium mining has previously precluded the company from membership of the index. The index criteria no longer include a blanket objection to uranium mining and the company is now eligible for listing.
Source: Ethical Performance, Feb 2006)

- JSE (Johannesburg Stock Exchange) Socially Responsible Investment Index.
Anglo American is ranked in the top 6.

Anglo is one of 22 high impact companies which qualify for inclusion in the relatively youthful index, created in 2003. The index was compiled with the specifics of the South African market in mind and there is a distinction between this index and the FTSE4Good Index – many of JSE SRI listed companies would not make it on to the FTSE4Good Index. Placing emphasis on sustainability rather than on ethical judgements, the index includes measures on labour, black economic empowerment and HIV/Aids. This index is voluntary and only companies listed on the JSE all share index qualify for inclusion.

Source: Business Report - May 20, 2004

<http://www.busrep.co.za/index.php?fSectionId=561&fArticleId=2082599>

www.jse.co.za/sri

- **Morley Sustainability Index**
Anglo American ranked D2 according to the 2005 matrix.

This index was established by Morley Fund Management for use by the private investment community to evaluate sustainable investment opportunities. The matrix considers the impact of the business sector as well as of the company itself

According to the Morley Fund Management website, a D rating indicates a company whose products create sustainability problems (perhaps partly offset by some benefits), but scope to address through strategic change. (e.g. mining, oil and gas, automotive)

2 rating indicates a 'Good Company', progressive within its sector through the development and implementation of policies and best practice in most areas.

Source:

http://www.morleyfm.com/?url=http://www.morleyfm.com/uk/retail/socially_responsible_investing/sustainability_matrix/index.htm

- **Business in the Community Member**
- **Earthwatch Corporate Environmental Responsibility Group (CERG)**
According to Earthwatch, "Anglo American joined CERG in 2003 and piloted an employee engagement programme with Earthwatch in 2004 which links to their international training programme. Employees coming to the UK for internal management training joined an Earthwatch conservation field research project in order to enhance their personal awareness and understanding of relevant environmental issues. In 2005, both parties hope to develop a strategic partnership of employee engagement and environmental research."
- **Member of the UN Global Compact**
Anglo American joined the Global Compact in June 2004 and subscribes to the Compact's 10 Principles.
- **International Emissions Trading Association member**
IETA is the self-styled 'premier voice for the business community on emissions trading'. Its website states it is "dedicated to the objectives of the United Nations Framework Convention on Climate Change and ultimately climate protection;"
<http://www.ieta.org/ieta/www/pages/index.php?IdSitePage=681&ChosenID=12>
- **Association of Chartered and Certified Accountants awards for sustainability reporting, 2004**
Anglo American received a special commendation for its sustainability reporting for 2004. The company received the commendation 'for articulating the challenge of sustainable development for their business'.
(Business in the Community news item taken from bitc.com. Posted 25/02/05)

2. Environmental notices from Ethical Research Consumer CSR database and other sources

Notices for Anglo American

- An article in the Observer dated 9th November 2003, reported that Anglo American had denied liability in respect of a claim against it alleging poisoning and environmental destruction at a former lead mine in Kabwe, Zambia. Richard Meeran of British law firm Leigh Day cited a recent World Bank report estimating that as many as 200,000 people could have suffered lead poisoning at the mine, and planned to claim tens of millions of pounds in compensation on behalf of affected miners and local residents.
Source: Observer newspaper: Anglo in Soweto dock, 9 November 2003

The BBC covered the story of the lead mine's effect on the local community in an online article entitled *Zambia's child poisoning tragedy* on the 6th November 2003. Anglo American's name was not mentioned in the coverage. It does mention a former state-owned company that ran the mine, ZCCM Investment Holdings. ZCCM-IH was privatised by the Zambian government in 2000 and it is at this point that Anglo American may have become involved in the company, although research cannot corroborate this. Anglo American was a major shareholder in ZCI, Zambia Copper Investments which in turn was an investor, along with ZCCM, in Konkola Copper Mines plc. It reported that the Kabwe lead mine closed in 1994.

Source: Zambia's Child Poisoning Tragedy, BBC News 6.11.2003,
<http://news.bbc.co.uk/1/hi/world/africa/3241037.stm>

A 2002 BBC online report records that Anglo American pulled out of mining operations in Zambia in 2002. The article stated the withdrawal followed nine years of negotiations over the privatisation of the mines, and after just two years of running them. Anglo cited low world metal prices and lack of profits as their reason for pulling out of the Zambian mining market.

Source: Anglo American quits Zambia, BBC News 20.8.02,
<http://news.bbc.co.uk/2/hi/business/2205509.stm>

- Member of Global Mining Initiative
According to the second quarter 2002 edition of Link, Friends of the Earth International's magazine, in the 'later 1990s' mining companies, anxious about revelations of the environmental damage and human rights issues surrounding mining, formed the Global Mining Initiative. Anglo American was listed as one of the initial financial supporters of the group. According to the article, this group was said to exist to promote mining as a sustainable industry and to counter the arguments of environmental and human rights organisations. Such groups were said to have refused to work with the organisation, saying that it lacked credibility or legitimacy and accusing it of 'greenwash.'
Source: /Link: 2nd quarter 2002 (1 April 2002)
- In August 2002, Friends of the Earth International published a report, *Anglo American plc: financing the summit, plundering the earth*, in which it detailed what FOEI perceived as the company's poor record on social and environmental issues. The report was a response to Anglo's funding of the Johannesburg Earth Summit that same year.
Issues raised in the report included:
 - Anglo-American's legacy of environmental and community damage during the years of apartheid in South Africa
 - Criticisms of Anglo American's copper mining activities in Zambia which FOEI claim are in violation of OECD guidelines for multinational enterprises. It also claims that when Zambia's copper mines were privatised in 2000, Anglo obtained secret agreements on tax, royalty payments, repatriation profits and non-liability for past and future pollution. It then states that Anglo has announced its withdrawal from Zambian operations.
 - Criticisms of Anglo's plans (via Quellaveco Mining Corporation subsidiary) for a copper mine in southern Peru. FOEI claimed the company will use large volumes of water at limited cost and points out that the region is one of the driest in the world.

It claims the company also has plans to divert a river and dispose waste in the old riverbed. It reports on disquiet within the local community over the plans. The report questions the adequacy of the environmental impact assessment judged by the criteria of the World Bank. The report also highlights, the threat to the Chilota wetland from pollution, as well as threat to local methods of crop irrigation.

Anglo American's website confirms that it owns 80% of the company. The other 20% is owned by the World Bank's International Finance Corporation.

Research has been unable to find further comment about this project that does not come from the FOEI source report.

Source: Anglo American plc: financing the summit, plundering the earth, FOEI briefing, August 2002

- **Anglo American activities in Chile**
According to the April 2001 issue of Multinational Monitor, Anglo American was one of a number of companies running copper mines in Chile. The Multinational Monitor article draws attention to the environmental risk attached with these mines – with large number of tailings ponds associated with mines which had no post-closure plans. Many of the multinational companies operating in Chile were also criticised for only exporting cheap raw copper instead of improving input into the Chilean economy by processing the copper there. Copper mining is the number one industry in Chile.
Source: Multinational Monitor: 1 April 2001
- **Member of the World Business Council for Sustainable Development (WBCSD). A Strategic Partner.** A free trade lobby group. WBCSD had been accused by Corporate Europe Observatory of 'hijacking' the Rio Earth Summit in 1992. It was reported that in 2000, the WBCSD had provided advice on developing carbon emissions trading - a method described by Ethical Consumer as allowing corporations and governments to avoid cutting their greenhouse gas emissions through trading.
Source: Ethical Consumer: 69 (1 February 2001)

3. Notices for Anglo subsidiaries

Mondi –paper producer

- According to Mondi's 2004 Sustainable Development Report, in September 2004, concentrated black liquor had leaked into the Slovakian Ruzomberok mill's wastewater treatment plant during the start up of a new recovery boiler. As a result, Mondi reported its permissible effluent limit for biological oxygen demand into the River Vah had been exceeded.
Source: Mondi Corporate Communications: Sustainable Development Report 2004 (2004)
- According to Mondi's Sustainable Development Report 2004, the group had, during 2004, received 11 safety, health and environmental warnings issued by authorities, leading to a total of \$36,583 paid in fines for environmental related incidents.
Source: Mondi Corporate Communications: Sustainable Development Report 2004 (2004)
- A South African Community leader, Desmond D'Sa was reportedly preparing to challenge Anglo American at its April 25th 2005 AGM over allegations of pollution by its subsidiary Mondi. Mr D'Sa, leader of the South Durban Community Environmental Alliance was backed by Friends of the Earth in the movement. FOE maintained at the time that Mondi was considered to be one of the biggest polluters in the South Durban area, a pollution hot-spot according to FOE.
Source: http://www.foe.co.uk/resource/press_releases/south_african_pollution_sc.html

Tarmac

- ENDS (Environmental Data Services Ltd) reported in 1995 that, after water and food companies, construction and aggregate firms were the third most frequently prosecuted by the NRA. 'Top of the league' were ARC, Tarmac, Balfour Beatty and RMC. It should be noted that at this time, Tarmac was not owned by Anglo American
Source: ENDS Report: 246 (1 July 1995)

De Beers

- According to the company website www.debeersgroup.com, viewed by ECRA in July 2005, in 2004 the group had experienced 70 'moderate' environmental incidents and 1244 'minor' ones. Moderate incidents were defined by the company as "associated with a widespread or localised, medium-term, reversible significant ecological or social impact and/or has a risk of legal liability."
Source: De Beers SA Corporate Communications: www.debeersgroup.com (6 July 2005)

Hudson Bay Mining and Smelting

- According to an article that appeared on the planetark.com website, in its 9th annual survey, the Montreal-based Commission for Environmental Co-operation concluded that lead is still the biggest polluter in North America. Its compounds remain the leading developmental toxin released by industrial facilities, with much of it coming from just three base metal smelters in Canada. The report stated that said the top emitter of lead on site was a base metal smelter owned by Hudson Bay Mining and Smelting in Manitoba, a company spun off in 2004 by Anglo American Plc.
Source: <http://www.planetark.com/dailynewsstory.cfm/newsid/30960/story.htm>, posted 25.5.05

4. Anglo American environmental policy

- **Good Citizenship**
Anglo American has developed an umbrella concept of 'Good Citizenship' which sets out the Company's view about the rights and responsibilities of international companies. This includes its policy on environmental matters as well as wider social commitment.
- **Safety, Health and Environment Policy**
The company states it has adopted a comprehensive SHE policy which will be monitored through regular reporting, and will be continually reviewed and developed. The company states it recognises "the need for environmental stewardship to minimise consumption of natural resources and waste generation and to minimise the impact of our operations on the environment."
- **Anglo American Report to Society**
For the last two years, Anglo American has produced a Report to Society, a comprehensive document addressing the company's sustainability performance. The 2004 report – the first of its kind – was widely praised by shareholders, business leaders and third sector organizations for its frank and thorough approach. Report to Society 2004 was declared top sustainability report by the Association of Certified and Chartered Accountants, UK, an award shared with the BT plc.

The report allows Anglo American to comment on its performance against its self-set criteria in a number of areas. Where its environmental performance is concerned, the company has for the past two years set itself measurable targets in the following categories: energy use, air quality, water use, biodiversity. In broad terms, Anglo American has committed itself to a

reduction in CO2 emissions and increased energy efficiency, an improvement in air quality and water efficiency, active biodiversity conservation and responsible land use.

Anglo has used the Global Reporting Initiative's 2002 guidelines and the draft boundary protocol in the production of reports.

Details of Anglo American's 2004 targets, its 2005 performance against these targets, and future targets for 2006 and beyond are included in the appendix. Although Anglo American has not met all of its targets in the area of environmental performance, it does seem to be engaged in a sustained process of improvement, and a process that appears to be transparent.

- Sustainable development principles
In its Report to Society 2005, the company outlines its sustainable development principles:

We will:

Be ethical, efficient and create value

Create meaningful employment in safe, healthy environments

Reduce our environmental footprint and contribute to biodiversity

Increase innovation, technology and process improvement

Contribute to building more adaptable societies.

- ISO 14001 certification
According to the company's website, more than 88% of the Group's operations (measured by turnover) are now certified to third party environmental management systems – either ISO 14001 or the Forest Stewardship Council. All operations are required to be certified within two years of joining the Group. The ongoing target is that this level of certification, up from 83% in 2004, should be maintained.
- Environmental incidents
The 2005 Report to Society included information on environmental incidents reported by the group. It stated that in the first years after ISO 14001 implementation it is typical to see a steep increase in Level 1 incidents (the lowest level), which have minor or short-term impact. It reported that as most Group operations were now ISO 14001 certified, these incidents are starting to level off.

The company reported that Level 2 incidents increased by 5% in 2005 to 174. The company is aiming to put in place preventative measures to address Level 2 incidents. No Level 3 incidents, which have major impact and long-term effects, were reported.

The Level 2 incidents were mostly related to water pollution. The company gives the example of the Namakwa Sands Mineral Separation Plant in South Africa, a Level 2 incident owing to acid water seepage. The remediation of the problem has since been achieved by a project valued at over R30 million (\$4,7 million) for the construction of an acid neutralisation plant which treats acidic effluent before it is discharged to evaporation. Further details of incidents reported are available in the Report to Society.

- Biodiversity
In 2003, Anglo American set itself the target of having biodiversity action plans in place at all significant sites by the end of 2004 – this was achieved. The company has since set up teams of internal environmental specialists to review 10 of these biodiversity action plans, to promote learning across the Group, share best practice and assess the success of the action plans. The overriding aim is to integrate biodiversity management into management systems.

According to Anglo American's website, a group policy on the management of biodiversity will soon be published along with guidelines for operational companies on sound biodiversity management practice.

Examples of Anglo American and subsidiaries' work in biodiversity conservation include:

- Tarmac's work to restore habitats and encourage wildlife at its quarries in the UK
- Anglo American's Los Bronces division has backed a biodiversity project at the Yerba Loca nature reserve near Santiago to plant native flora species, provide training and helping in conservation of the Andean Condor and other birds of prey
- Anglo American has pledged to restore some of the wetlands of the site of its newly operational Isibonelo coal mine in Mpumalanga, South Africa. The company maintains that even before the first coal was produced in 2005, that it had planned how it would restore the mine at the end of its life.

Source: <http://www.angloamerican.co.uk/cr/sustainabledevelopment/biodiversity/>

- **Climate Change**

In its Report to Society 2005, Anglo American states it is a major emitter of greenhouse gases. The Group has a target of a 10% reduction in carbon intensity over the period 2005 to 2014. The Group is also looking for cost-effective ways in which carbon emissions can be reduced directly.

The company developed and introduced a climate change policy in 2001 in a collaborative initiative led by the World Business Council for Sustainable Development (WBCSD) (www.wbcsd.org) and the World Resources Institute (WRI) (www.wri.org).

Key elements of the policy include a commitment to monitoring and participating in international processes to "meet the challenges" of climate change, collaboration in R&D programmes on this issue, incorporate climate change considerations in business planning, exploration of opportunities for the use of the market-based emissions reduction mechanisms proposed in the Kyoto Protocol.

Source: <http://www.angloamerican.co.uk/cr/sustainabledevelopment/climate/>

In 2006, Anglo American plc and Shell Gas & Power International B.V. announced the formation of an alliance in the field of coal conversion to clean energy. The two leading companies aim to maximise the benefits from the emerging field of clean coal energy by taking selective equity positions in coal conversion projects. These projects will utilise the extensive coal reserves of Anglo American and combine its mining capabilities with Shell's leading-edge technologies. The objective is to extract, gasify and then convert coal into chemicals, hydrogen, power, liquid hydrocarbons and other uses.

<http://www.planetark.com/dailynewsstory.cfm/newsid/36554/story.htm>

Anglo's 2006 online Press Archive

Human rights history

1. Memberships awards and affiliations

- UK's Business in the Community International Award
In June 2005, Anglo American received the UK's Business in the Community International Award for its contribution to the achievement of the Millennium Development Goals in Africa.
- Anglo American plc was accepted into membership of the Voluntary Principles on Security and Human Rights in January 2005 following a lengthy period of risk assessment and for the preparation of materials for implementing the Principles.

1. Corporate critic notices

Anglo American

- Comment on Anglo American's role in pre- and post- apartheid South Africa
In 2004, Ethical Corporation reported comments from South African President Thabo Mbeki in his weekly online letter ANC today accusing the company of paying black workers badly during apartheid and of withholding investment in South Africa. The comments are believed to be in response to Anglo CEO Tony Trahar's explanation to the Ft as to why Anglo intends to stay in South Africa and his conclusions that while the political risk of investing in the country has not gone altogether, it is diminishing.

President Mbeki's response was: "The poor and marginalised who worked for Anglo American and other companies for a pittance and built them up during the years of minority rule are today's voters. For 10 years they have made it clear that they care too much for the future of their children to have the past and its instincts determine that future. They chose reconciliation rather than revenge. Do they deserve to be seen as a political risk?"

Opposition leader Tony Leon accused Mr Mbeki of deliberately misrepresenting Trahar's original comments. His view is that Trahar was in fact praising the government for lowering the risk of investment.

Minerals and Energy Deputy Minister Lulu Xingwana also launched a scathing attack in the National Assembly on "rich white cartels that are continuing even today to loot our diamonds, taking them to London, that are continuing today to monopolise the mining industry".

Despite this, Anglo American says that it remains committed to its operations in South Africa, and points out that it has recently had new investments worth R26, billion approved. The company draws a third of its £6.5bn turnover from South Africa.
Source: Ethical Corporation 30. 3.,2004

- According to Anglo American's website (www.angloamerican.co.uk), accessed by ECRA on the 11th July 2005, through various of its subsidiaries or joint ventures it had involvement in operations in a number of countries which were, at the time of writing, on ECRA's list of oppressive regimes. These countries included: Brazil, China, Israel, Russia, Tanzania, the United Arab Emirates and Zimbabwe.
Source: ECRA 11.7.05
- Red Pepper October 2003 reported that in September 2003 the High Court had heard a case brought by former South African miners seeking damages for negligence that they claimed had caused them to contract silicosis while working in Anglo-American owned gold mines.
Source: Red Pepper: 112 (10 January 2003)

In its Report to Society 2005, Anglo American confirms that "19 separate court actions for personal damages sustained from the lung disease, silicosis, were launched against Anglo American South Africa by mineworkers. Anglo American denies that it is liable to any of the claimants and is defending the claims, 11 of which have been struck out by the court. " It goes on to outline the mining industry and government's efforts to find "practical and sustainable solutions" to overcome these difficulties and a statutory compensation scheme.
Source: Report to Society 2005

De Beers

- According to an article in the Guardian, dated 5th July 2005, De Beers was one of a number of members of Business Action for Africa, a corporate grouping set up in connection with the G8 summit in Scotland in July 2005 and proposed government action on poverty in Africa. The group was said to be arguing in favour of liberalised economic practices in Africa and a

business environment which would allow multinational corporations to profit from business there. The article stated that previous 'investment' of this type had only brought poverty and damage to the population of the continent.

Source: www.guardian.co.uk: Africa's New Best Friends (5 July 2005)

- Subject to boycott call by Survival International. The organisation alleges that De Beers colluded in the eviction of the Central Kalahari Bushmen in Botswana to make way for diamond mining. The organisation ran a number of protests, picketing a new De Beers store opening in New York in June 2005 and the Diamonds exhibition opening at the NHM in July 2005. In a press release for the 23rd June 2005, Survival International stated it and "many independent observers" believed that the Kalahari Bushmen had been evicted from their ancestral homeland in Botswana because of diamonds. According to the press release all diamond mines in Botswana were run by De Beers. Survival International reported that earlier in the month three Bushmen had been tortured by wildlife officials for suspected hunting. Source: Corporate Critic/ Survival International Press Release 4.8.05, 23.6.05

An article in The Ecologist September 2003 reported that De Beers had been given diamond mining concessions in the Central Kalahari Game Reserve (CKGR) by the Botswanan government. The Botswanan government evicted by the Bushmen from their ancestral lands in the CKGR in February 2002, claiming that it was for conservation purposes and that the evictions had nothing to do with diamonds. The article also reported that the permanent secretary of the Botswana ministry of minerals, energy and water affairs was also the deputy chairman of the mining company Debswana, co-owned by the Botswanan government and De Beers.

Source: Ecologist Sept 2003 The: Volume 33 number 7 (September 2003)

De Beers has published an extensive explanation of its activities in the Central Kalahari Game Reserve on its website and refutes Survival International's allegations. It too reiterates the Botswanan government's statement that Gana and Gwi San communities were relocated to provide them with better health, education and social provision. It also quotes a number of what it calls independent observer who have questioned the link between relocation and the diamond mining industry including British MP Dr Jenny Tonge,

Source: <http://www.debeersgroup.com/debeersweb/General/News+Archives/Issues/>

- According to Corporate Watch March/April 2003 De Beers was one of 85 companies who "facilitated the plunder of the Congo and illegally profited from the war", named in a report of an independent panel of experts who reported to the United Nations Security Council. The Panel had previously found that the war in the Congo "has become mainly about access, control and trade" of minerals. Source: Corporate Watch March/April 2003

On its website in October 2003, De Beers expressed its disappointment that "notwithstanding its detailed response to the allegations contained in the UN Panel of Experts on Democratic Republic of Congo report of October 2002, the Panel persists in suggesting that De Beers is in breach of OECD Guidelines on Multinational Enterprises as a result of the alleged rough diamond buying activities of two of its clients, or Sightholders"

Source:

<http://www.debeersgroup.com/debeersweb/General/News+Archives/News+Archives+2003/De+Beers+and+the+UN+Panel+Report+on+the+DRC.htm> posted 23.10.03

AngloGold Ashanti

- According to a report published by Human Rights Watch in June 2005, 'The Curse of Gold', AngloGold Ashanti was alleged to have contravened its own code of conduct as well as international business standards by providing financial and logistical support to an armed group responsible for "some of the worst atrocities" in the Democratic Republic of Congo.

Although the company claimed that there had been no relationship with the group, it had admitted to making payments, including one as recent as 2005. "As a company committed to corporate social responsibility, AngloGold Ashanti should have waited until it could work in Mongbwalu without having to interact with abusive warlords", said a spokesperson from Human Rights Watch. HRW argued that the company should have known that the FNI had committed grave human rights abuses against civilians. The Democratic Republic of Congo was on ECRA's list of oppressive regimes at the time of writing.

Source: Human Rights Watch: The Curse of Gold (June 2005)

3. Anglo American Human Rights policy

- Workers welfare and rights are covered in Anglo American's Safety, Health and Environmental issues policy. The company's social responsibility policy includes a commitment to, "uphold the values of good corporate citizenship and seek to contribute to wider economic, social and environmental well-being in all the countries where we do business."

The company has also developed a series of management principles that all of its business must adhere to which outline clear lines of accountability, and a commitment to ongoing evaluation and stakeholder engagement.

Source: <http://www.angloamerican.co.uk/cr/socialresponsibility/principles/>

- 2004 targets in the area of human resources include commitments to improve work environments, fighting corruption, making progress towards equality targets in South Africa. Most targets were met in 2005 with the exception of the commitment to control workplace health hazards and avoid new cases of occupational disease and health impairment. These targets can be viewed in full in the Appendix.
- Anglo American has a separate policy for addressing HIV/AIDS issues in the workplace and carries out an extensive programme of care for employees affected by the disease.

Anglo American and other orgs:

Social investment

- In 2005, Anglo American is said to have contributed \$56.7million (1.0% of pre-tax profit) in charitable donations and community social investment, an increase of \$9.3million over 2004. This excludes core business activities such as work on local business development, workplace HIV programmes etc. Priorities mostly relate to projects involved with international development objectives. Central corporate donations fund also supports education, health (with priority given to HIV/AIDS) and environmental programmes and community development projects in central London

Source: http://www.angloamerican.co.uk/article/?afw_source_key=4B1A37EB-E942-41F2-A74C-94F7C01F5BB6

Partnerships

- In 2003/2004, Anglo American and subsidiary Tarmac supported the staging of a major exhibition of British archaeological artefacts 'Buried Treasure' which started at the British Museum before moving to four (Cardiff, Manchester, Tyneside and Norwich) provincial centres;
- Supported the establishment of the Merensky Room at the Natural History Museum.
- The company also supports work with homelessness charities (Centrepoint and the London Connection) and the refurbishment of St Martin's in the Fields.

- In 2006, Anglo America pledged \$2.5 million in support for the NEPAD Investment Climate Facility, launched at the G8 2005 summit in Gleneagles, according to Sir Mark Moody Stuart, an important element in delivering the agenda set by the Commission for Africa. The Investment Climate Facility is a public-private partnership which will encourage the growth of responsible business activity
http://www.angloamerican.co.uk/article/?afw_source_key=76E961E8-9EA3-496B-B83F-4A1E50CE9562&xsl_menu_parent=/newsandmedia/pressreleases/archive2006/

- Anglo American has launched a major new partnership to develop HIV/AIDS services in Africa. The partnership is the work of the Department of Health, US-based health charity, the Henry J Kaiser Family Foundation, the Nelson Mandela Foundation and the Global Fund for AIDS, TB and Malaria. It builds on project models of LoveLife's national adolescent friendly clinic initiative (NAFCI). LoveLife currently runs 60 NAFCI clinics around the world which provide care, testing and advice for HIV/AIDS sufferers.

Anglo American has stated its intention to provide R30million over three years to the initiative. Additional funding from the Global Fund will enable loveLife to expand to 200 clinics in the next 18 months and 900 in the next three years. The clinics will offer easy access to prevention services, voluntary counselling and better care for victims.
Source: http://www.angloamerican.co.uk/article/?afw_source_key=6531A320-7776-47F8-9BE7-2279AF55D146&xsl_menu_parent=/cr/hivaids/library/releases/















- Corporate members of the Geological society
- Supported national Tree week in 2004
The Tree Council's National Tree Week, which is supported by Anglo American plc and its subsidiary, Mondi Packaging
<http://www.treecouncil.org.uk/press/GriffRhys.htm>
- Corporate Member of Sight Savers. Supporting National Onchocerciasis Team in Mali, training of ophthalmic personnel in Tanzania,
Source:
<http://www.sightsavers.org.uk/Support%20Us/Corporate%20Partnerships/Our%20Corporate%20Partners/Mali1682.html>
- Corporate members of the National Portrait Gallery
- Earthwatch CERG member

Mondi

- Mondi and WWF International signed a technical co-operation agreement during 2005. Mondi is also the main sponsor of the Mondi Wetlands Project in South Africa. In Russia, it is working in partnership with a Silver Taiga project for high conservation value forests. It is working at international level on projects to address illegal logging. With Anglo American it co-sponsored a WWF Freshwater conference held in South Africa.
Source:Anglo American website

Appendix 1 Targets

 Target achieved	 Interim target achieved, ongoing
 Target not achieved	 More work required

Focus	Our goals		Our performance in 2005	2006 and future targets
Integrate sustainable development into business model	Sustainable development appraisal of investment proposals		Material capital projects reviewed	Policy and methodology refinement and operational testing
	Develop Sustainable Development toolbox for engineers		Workshop held and tools being assessed	Policy and methodology refinement and operational testing
	Raise focus on product stewardship and recycling		Focus on REACH, awareness raising undertaken	Develop Group policy and guidelines on materials stewardship
	Engage key suppliers on principles, practices and targets		Procurement checklist, policy and guidelines developed	Supplier workshops and capacity building within procurement teams
	Develop integrated mine closure guidelines		Being tested at operational level	Ongoing
	Develop integrated mine closure guidelines			Ongoing
	Full ISO 14001 certification		88% certification – by turnover (up from 83% in 2004)	Maintain level of certification
Transparency and reporting	Increased stakeholder engagement on external reporting		Feedback from over 200 people considered	Additional research to be launched in 2006
Fight corruption	Ensure quality and follow-up on <i>speakup</i> reports		Effective global coverage achieved, 247 calls received during 2005	Ongoing awareness raising and action
Safe work environments	Work without fatal injuries and minimise work-related injuries		46 fatalities (down from 49 in 2004). FIFR at 0.017 – lowest on record	Roll out new safety strategy focused on clear, consistent standards, zero incidents and no repeats
	Reduce LTIFR by a further 35% to 0.5: Review contractor selection and integration of contractors into our safety programmes		LTIFR for 2005 is 0.94 Contractors are fully integrated into our safety systems	0.64 in 2006, representing a 32% reduction The ultimate goal of zero harm remains
Healthy work environments	Control workplace health hazards to avoid new cases of occupational disease and health impairment		1,003 new cases (2,033 for 2004): 63% are NIHL	Our ultimate goal remains one of zero harm – as for safety. We shall focus on reducing exposure to potential industrial hygiene hazards in order to minimise new cases of occupational illness
	Certification to 3rd party health and safety systems will be at least 75% complete by the end of 2005		75% certification to OHSAS18001 or equivalent achieved	Maintain level of external certification (or higher where appropriate to risk)
Establishing a merit-based and empowering culture	All managers/professionals have individual performance and development reviews (a large proportion of our workforce is subject to team-based targets and reviews)		Individual reviews up 10% on 2004 and now cover 51% of employees (12% of whom are managers)	Ongoing focus – key method of providing direction and development for our employees

	Progress towards employment equity targets in South Africa	✓	40% historically disadvantaged South Africans in management	To continue transformation programmes and to maintain or exceed the South African target
	Conduct Group communication survey	✓	Conducted with 78% participation amongst the sample and results have been fed back	Ongoing improvement in employee communication and sharing of knowledge Repeat survey in 2007
	Evaluate and extend Group Information Portal programme	✦	Enterprise Information Portal established and rolled-out to all corporate functions and to parts of Coal, Base Metals and Platinum	Enrich content, facilitate greater sharing of knowledge and collaborative working and increase reach of the platform
Fight HIV and AIDS	50% VCT by the end of 2005 and 75% by 2007	✦	Full VCT take-up amounts to about 30% (49% for counselling and voluntary testing)	50% VCT (long-term 100%) in high-risk areas
	Work in partnership with NGOs, governments and donor agencies	✓	Active management of partnerships	To continue and reappraise partnerships in their ability to aid delivery of key objectives
Grow our role as corporate citizens	Finalise resettlement policy following international review of IFC safeguard policies	➤	Resettlement policy remains in final draft pending promulgation of new IFC Safeguard Policy	Complete policies
	Implement training programme on security and human rights	✓	Training manual produced, divisional champions identified and initial training workshops conducted	Embed compliance and reporting system, sharing experience and good practice
	Develop human rights guidelines	✗		Produce in context of work by the UN on business and human rights
Understand community issues	Community Engagement Plans in place and improve the quality	✦	Community Engagement Plans in place at 91% + of 'significant' sites. Improvements made in many CEPs as a result of SEAT implementation	100% of significant operations to have community engagement plans in place. Improve quality
	45 SEAT assessments conducted	✓	31 SEAT Reports have been completed (covering 27 sites) and a further 17 assessments are in train	Conduct assessments at 55 sites, carry out and publish review of existing implementations and develop SEAT 2 by end 2006
	Training on social issues through community of practice	✦	Social forums held to build awareness and capacity amongst managers. Steering Group for community of practice established and core materials developed – awaiting launch in 2006	To develop guiding role of Steering Group and to establish a community of practice through Anglo Information Portal as information resource and knowledge sharing opportunity
Reduce CO2 emissions energy efficiency	A 12% improvement in energy efficiency by 2014	➤	More than 1000 projects underway	Increase energy savings target to 15% of the 2004 baseline by 2014
	A 10% reduction in CO2 emissions per unit of production (emissions intensity) by 2014	➤	1.7 MtCO2 certificates available for trade in the 2005-2007 period. Energy efficiency projects throughout the Group	Ongoing target
	Establish definitions, reporting boundaries and determine the CO2 relating to transport by 2006	➤	Progress made with the analysis of transportation emissions	To complete in 2006
Improve air quality	Development of data on SO2 emissions from fossil fuel use to be completed in 2005	✦	Work in progress. Data incomplete. Local improvements measured by Anglo Platinum and Mondi	To be completed in 2006

	New target			Develop Group policy, strategy and guidelines for air quality management
Improve water efficiency	Efficiency targets in water-stressed areas	✓	All divisions have set targets appropriate to their businesses and sites	These will remain site-specific objectives
	New target			Develop a policy, strategy and guidelines for the production of integrated water management plans, with particular focus on acid rock drainage
Conserve biodiversity	Biodiversity action plans (BAPs) to be integrated into ISO 14001 systems Peer review of 10 BAPs	✓	Complete for 4 divisions. 13 BAP peer reviews completed (target exceeded)	Finalise integration of biodiversity management into management systems and our way of business. Disseminate lessons, update guidance
	Continue working with ICMM and leading conservation organisations	✓	Ongoing work with the IUCN (in collaboration with ICMM member companies), with WWF, Conservation International, Earthwatch	Ongoing
	Assess the Group's exposure to protected areas	✓	Protected areas working group established, WCMC database made available, members assessed the overlap of their land holdings, consolidated report produced	Undertake an annual assessment of the Group's exposure
Responsible land use	Closure plans for all managed operations will be regularly updated and fully costed	✓	This is a regular process. Total provisions amounted to \$1,088 million at the end of 2005	Ongoing
Minimise and manage Wastes	Group tailings risk assessment	✓	Risk report produced annually	Ongoing
	New target			Expand tailings guideline document to include waste rock, heap leach pads, backfilling and slag disposal
	New target			Establish baselines for all waste volumes in 2006 and reduction targets in 2007