

2010 Sustainable Development Performance: Dorian Emmett 25 May 2011, London.

Occupational Health

- Occupational Health Way management framework and management system
 - Two new Group Standards addressing noise and inhaled hazards such as dust which are our most common exposures were approved during 2010
 - This follows-on from the completion of independent audits by the S&SD risk and assurance team to assess the nature and scale of risk and quality of existing controls – these new standards help ensure minimum performance standards across the Group
- Continued focus on health incident reporting and performance improvement
 - We've seen a rise in the number of low-level incidents being reported, investigated and followed up – which is encouraging as this is how we can address and learn from any failures in controls
 - We're pleased to see reductions in number of new cases of occupational disease reported in almost all categories for example:
 - Tarmac's focus on reducing exposure to hand-arm vibration (HAV) has resulted in significant drop in HAV syndrome cases (18: 2010 vs 35: 2009)
- Occupational hygiene – monitoring hazards to eliminate and or control exposure
 - Noise induced hearing loss remains the most significant occupational health risk at our Platinum business. They have therefore undertaken a programme of reducing noise at source by silencing or replacing equipment emitting sound pressure levels in excess of 110 dB(A)).

HIV/AIDS

- Policy and approach
 - Testing is our entry point to programme of prevention, care, support and treatment for HIV and AIDS and we have now reached a point where more than 90% of our employees in southern Africa check their status annually.
 - Early diagnosis of HIV infection and timely access to care are central to the principle of 'positive prevention' which we apply to minimise the spread of infection. We are on target with our HIV Disease management programme with 59% of HIV+ve employees participating in this
- Investing knowledge and resources in community healthcare
 - We have gained a great deal of experience through administering our workplace HIV/AIDS and health programmes and are now using this knowledge and our resources to support community outreach programmes and to help strengthen community health systems. For example in South Africa, the Eastern Cape is one of the provinces with the greatest health care needs and more than 40% of the employees in our core Business units in South Africa have homes there. So last year we started working with Eastern Cape Department of Health to write business plan to revitalise funding and delivery of primary healthcare
 - Through our leading work on HIV/AIDS we understand how the role of quality healthcare can not be underestimated particularly if developing countries are to achieve their full economic growth potential. At the G20 Business Summit in Seoul last year, Cynthia pledged \$3 million funding to Global Fund to Fight AIDS, Tuberculosis and Malaria which has achieved extraordinary results, helping save 6.5 million lives. However, our commitment came with a challenge for other big businesses to do the same.
- Challenges
 - While there is no doubt that we have made considerable progress in preventing the spread of HIV we continue to see new infections within the workforce. One of the challenges we face is the contribution of migrant workers to the spread of the infection and our social performance programmes are exploring how we best tackle this issue.
 - This disease affects whole families, hence our decision to extend our prevention, care, support and treatment programme to dependants. However, increasing uptake of prevention programmes by families of employees and contractors is a continuing challenge requiring new thinking and approaches

- Sadly there is a disproportionately high burden of HIV infection in young women in sub-Saharan Africa and we are actively engaged in better understanding and responding to gender inequities and inequalities that drive this epidemic.
- There is an inextricable link between HIV infection and TB and controlling escalating TB epidemic is a source of great concern for us and one we are tackling by taking a more integrated response to managing HIV and TB

HR

Organisational Development and Headcount

- A decrease in headcount (including contractors) of 9,426, since 2009
- Headcount numbers (as per Report to Society data reported) in 2009 and 2010 (shown below):
 - 2010: (Employees 90473; Contractors 49695; Total 140168)
 - 2009: (Employees 101500; Contractors 48094; Total 149594)

Transformation and Diversity

- Good progress has been made in relation to transformation in South Africa as:
 - The number of managers from Historically Disadvantaged South African Communities has increased from 44% in 2009 to 46% in 2010, exceeding the original Mining Charter target of 40%.
 - We believe we are now well-placed to achieve the enhanced targets for 2014, set out in the revised Mining Charter.
- The representation of women in the workforce continues to increase with the number of women in management increasing from 19% in 2009, to 21% in 2010. The number of women in the workforce as a whole has increased from 13% in 2009 to 14% in 2010.

Talent and Performance Management

- Introduction of a global capability framework which describes the behaviours, knowledge, skills and experiences believed to be needed in the organisation to support our business strategy (called the People Development Way). The framework forms the foundation of our talent and development work.
- Completion of the design and introduction of a new performance management system which will be applied consistently across the Group, strengthening the link between business strategy and personal objectives and creating a stronger focus on Anglo American values and the importance of personal development.
- All managerial and professional employees (representing nearly 30% of all permanent employees) undergo formal performance and development reviews on an annual basis.
- Continued investment in employee and community training/development. During 2010, Anglo American:
 - Spent \$20m in support of secondary and tertiary institutions;
 - Invested \$137.7m (3.6% of total employee costs) in direct training costs;
 - Supported 11,000 bursars, apprentices, graduates and other trainees;
 - More than 3,000 employees, contractors and community members in South Africa have enrolled in adult basic education;
 - A further 6,900 employees participated in portable skills training.
 - Helped 388,247 individuals outside of the organisation through community education projects.

Climate Change and Energy

- At Anglo American we believe that climate change is one of the defining challenges of our era. We recognise our responsibility in addressing its causes and in protecting our employees and assets, as well as our communities and the environment, against its potential impacts.
- Our climate change policy states our aim of achieving 'the maximum economically sustainable energy and carbon savings in our business and in the use of our products'. Here's some of the ways we are doing this:

Saving energy and driving operational excellence

- Our first response is to use energy more efficiently. We are implementing a new energy and carbon management tool that is helping our people, at all levels, identify opportunities to save energy and reduce carbon. This will inform new medium-term targets for energy and carbon which we plan to announce later this year.

Reducing emissions and alternative energy

- Trading carbon credits and investing in carbon offsetting projects are two of the ways we will be seeking to minimise our exposure to and the cost of compliance with emerging carbon policies.
- We are also assessing options for using low carbon-emission energy sources.
- In South Africa we are also looking at a number of renewable energy opportunities. These include a project to recover heat and generate electricity from the cooling system in one of our smelters and a concentrated solar power plant next to one of our mines. We're already installing solar water geysers in our mine housing and heat pumps in our change houses..

Understanding potential climate impacts

- We have been working with scientists to understand the potential impacts of climate change on our global operations and neighbouring communities. These range from water availability and extreme weather events to community health and people migration. Our new climate change strategy requires that all operations and projects complete climate change vulnerability assessments, after which all high-risk sites will undergo detailed climate-change impact-assessments.

Investing in technology

- We have set an ambitious goal to develop and deploy technologies that will enable us to manage cost effective, zero harm and resource-efficient mines in the future. As part of this process, we have incorporated potential energy and carbon technologies into a timeline that will help us to run efficient, carbon-neutral mines in 20 years time. These range from near-term solutions for spontaneous combustion to eventually being able to capture, use or store carbon in an effective and financially viable way.
- As both a substantial consumer of energy and a major producer of coal, we need to work on minimising our own carbon emissions and play a role in helping our customers to reduce theirs. One of the ways we are doing this is by partnering with organisations researching downstream technologies.

Working with government and communities

- Industry has a role in working with governments and regulatory authorities to contribute to the development and implementation of efficient, effective and equitable climate change policies. A large number of our operations are located in developing countries. These countries need energy to enable economic growth and meet their social development needs. Developing countries will also be particularly exposed to the potential impacts of climate change (e.g. lower crop yields).
- We believe that we have a role to play in helping our host country governments work through challenges such as these, particularly around technology transfer from developed countries to enable the transition to a low carbon economy.

WATER Our water focus areas are:

- **Saving water** – about 72% of our operations are in water stressed areas. Operations are implementing water action plans and a new Water Efficiency Target Tool (WETT) is being trialled which will lead to a Group water target. Our platinum business has already set a target of zero use of potable water in processes through water conservation and demand management. It is gradually

replacing its demand for new water with non-potable sources such as treated sewage water. Since 2008 it has reduced its drinking water consumption by 22%

- **Protecting water quality** – our Anglo Environment Way (AEW) suite of environmental performance standards, which applies to all stages of the mining cycle, requires performance above legal compliance. We are also stepping up our water purification efforts with the installation of mobile water treatment plants in our Thermal Coal operations
- **Investing in technology** – to use water more efficiently and minimise our impacts e.g. Our flagship Emalahleni water reclamation plant is planning to double its capacity
- **Protecting our project pipeline** – our Project Way front loads the need to understand water-related risks by integrating the requirements of the AEW
- **Helping our communities** – working with them to address common water challenges e.g. Through our Platinum Eastern Limb bulk water supply project we have facilitated 1.9 million people's access to water. We are also looking for an NGO partner to work on local community water issues and bring in best practice
- **Working with government** – we continue to engage at the local level on water issues and in South Africa we are actively engaging in the development of a national water strategy to inform policy decisions
- We also participated in the first CDP Water Disclosure Project in 2010. We have played an active role in helping to shape it so that future questionnaires will result in the disclosure of meaningful and relevant information on water for stakeholders

BIODIVERSITY

We are the owner of large areas of land and land disturbance is the inevitable consequence of mining.

We operate in a number of environmentally sensitive areas such as at Amapa in the Amazon and the Minas Rio mine and pipeline in the Atlantic Forest and Cerrado biomes. Many new sources of minerals are also located in sensitive areas. Our management of biodiversity can influence our future **access to land**, our **legal and social licence to operate** and, ultimately, our **access to capital** and insurance.

The Anglo American Environment Way (AEW) includes a Biodiversity Performance Standard to ensure that biodiversity is actively managed at all stages of our activities. Where biodiversity poses a significant risk or opportunity, the standard requires operations to have in place a **Biodiversity Action Plan (BAP)**. All significant operations have BAPs in place. A programme of third party peer reviews of BAPs was instigated in 2005. Since then, 67 such reviews have taken place, including 7 during 2010.

Our approach involves us **working closely with external partners**. This ensures that our programmes are based on **leading practice**, while also providing **constructive challenge** which is a key element of our aim to continuously improve our management of biodiversity and the environment in its broadest sense. Since 2008, we have had a partnership with FFI. They have been particularly involved in our BAP review programme. Some examples of where they have assisted us include:

- At our Amapa iron ore mine in the Amazon, FFI has helped the operation to develop action plans to better meet the business needs of the site. Practical recommendations have included restricting the use of exotic grasses, early trialling of trees on rehabilitated land, collection of plants for reintroduction to rehabilitated forest
- At our Jacare nickel exploration project in the Amazon, FFI introduced a risk and opportunities workshop for the site management team. This has raised the awareness of ecosystem services and

helped develop the business case for biodiversity management at this environmentally sensitive site. In particular, FFI made valuable recommendations to improve the effective rehabilitation of drilling sites in the forest

In the future, FFI will be helping us further develop our biodiversity strategy, help us prioritise our biodiversity related risks and assisting with the development of an in-house biodiversity overlap assessment tool to allow ongoing monitoring of biodiversity risks, particularly in relation to protected areas.

I would add that as a member of ICMM, we have signed up its Mining and Protected Areas position statement which means that we have **committed not to mine or explore in UNESCO World Heritage Sites**. We also have a partnership with the United Nations Environment Programme – World Conservation Monitoring Centre, which provides us with information on protected areas. We will be using this information in our new biodiversity overlap assessment tool

Finally, we are also **engaging with thought leadership bodies** such as the World Economic Forum and the Cambridge Programme for Sustainability Leadership on biodiversity/land use/ecosystem services policy development. In fact, this afternoon, we will be hosting the launch of The Cambridge Natural Capital Leaders' Forum. This is a multi-sector platform to help business understand the implications of valuing environmental infrastructure while providing a leadership voice to a wider audience including policy makers, consumers and other businesses.